

Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, May 14, 2013 — 1:00 p.m.

Speaker: I will now call the House to order. We will proceed at this time with prayers.

Prayers

Withdrawal of motions

Speaker: Before we start, the Chair wishes to inform the House of some changes which have been made to the Order Paper. Motion No. 371, standing in the name of the Leader of the Third Party, and Motion No. 431, standing in the name of the Government House Leader, have been removed from the Order Paper as the action requested in the motions has been taken.

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Tributes.

TRIBUTES

In remembrance of Arthur Charles Pape

Ms. Hanson: I rise on behalf of the New Democratic Party Official Opposition to pay tribute to Arthur Charles Pape, a noted lawyer for First Nation people. Art passed away on December 6, 2012 from pancreatic cancer. He was 70.

In mid-December, as I was leaving a meeting at a local hotel, I saw a group of Northern Tutchone elders sitting in the lobby. They asked if I had heard that Art Pape had died the week previously. They were saddened by the news. So, as we near May 29, the 20th anniversary of the signing of the *Umbrella Final Agreement* and the first four First Nation final and self-government agreements of the Vuntut Gwitchin First Nation, the First Nation of Na Cho Nyäk Dun, Champagne and Aishihik First Nations, and the Teslin Tlingit Council, it is fitting to pay tribute to Art, a man who played a pivotal role in aboriginal law in Canada for over 30 years.

There is a saying that the East values man by the purity of a man's actions, and the West values the consequence of his actions. Art Pape was a man whose actions could be valued by both the East and the West. His actions were guided by integrity. He had a passion for justice and a desire to do the right thing for the right reason. His integrity led to a lifetime of external effectiveness resulting in greater justice and recognition for the aboriginal people of Canada, particularly Yukon.

Art was active in the peace and civil rights movement in his youth. While at law school, he travelled with Thomas Berger's inquiry into the Mackenzie Valley pipeline and co-produced an award-winning documentary on the inquiry that explored the underlying conflicting world views that the inquiry had to address and the historic importance of the inquiry for Canada's relationship to aboriginal people and to itself.

Art graduated from the University of British Columbia law school in 1979. He was called to the Yukon Bar in 1989. Law

was Art's calling, and he chose to use his calling to work with First Nation peoples. He was creative, thorough and big thinking in his practice.

He is remembered in both his personal and professional life as a deeply respectful, intense, thoughtful man whose life was led by a strong moral compass. Art was never driven by ego or personal gain or even tempted by it. To Art, doing the right thing meant pursuing justice for the First Nation people and pushing back against its history of neglect and abuse. Art was involved in pivotal aboriginal issues in Yukon. He and his legal partner, Rick Salter, assisted four First Nations, notably Na Cho Nyäk Dun, in their rejection of the 1984 land claim agreement, primarily on the grounds that there was no recognition of self-government.

He was counsel for the Na Cho Nyäk Dun and the Little Salmon-Carmacks First Nation final agreements. He also worked with the Selkirk First Nation and the Taku River Tlingit. He led the Little Salmon Carmacks First Nation legal team in their Supreme Court challenge on the duty to consult, as well as representing the First Nation on the Western Copper water licence application. Although Art received little formal recognition or awards for his dedication and impact for First Nation people, this did not matter to him in the least. What mattered to Art was leading a good life — one of meaning and purpose. He dedicated his life to assisting the Crown and First Nations to make amends and build new communities and, in doing so, he helped pilot the law so that it reaches down into the fabric of our society to tell us who we are and how we should conduct ourselves according to our best beliefs.

In recognition of World Fair Trade Day

Mr. Barr: I rise on behalf of the Official Opposition and the Third Party to pay tribute to World Fair Trade Day, which took place last Saturday, May 11. Fair trade is a trading partnership that takes greater equity in international trade. Its purpose is to create opportunities for producers who have been disadvantaged by the traditional economic model. Fair trade contributes to sustainable development by offering better trading conditions to marginalized producers and workers, especially in the southern hemisphere.

In concrete terms, fair trade is about keeping prices affordable for consumers while returning a higher amount to the producers. Fair traders typically work directly with artisans and farmers, cutting out the middle men who increase the price at each level. As a result, the producers receive more income from the goods they produce. This addresses the inequity in our global economy as one-third of the world's population lives on less than \$2 a day.

Some people think fair trade is a form of charity, but it is not. It is a business relationship that promotes positive and long-term change. Some people believe fair trade pays developed-world wages in the developing world; it does not. The wages are determined by many factors, including the purchasing power and the local area and other costs of living in the local context.

For a product to have the "fair trade" label, there are certain conditions to be met apart from pricing. The business must

have a safe, healthy environment where children are not used as cheap labourers. In addition, the businesses must be environmentally sound.

We in the Yukon are able to purchase some fair-trade products, including fair trade coffee. There is a fair trade craft sale each Christmas; however, the overall selection of products is limited, and we could certainly be open to more, such as fair trade clothing.

Mr. Speaker, fair trade is one step toward reducing the gap between the haves and the have-nots in our society, toward a world that is more socially just.

Speaker: Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Pasloski: Mr. Speaker, I am excited today. I would like to introduce my youngest daughter, Bronwyn, who is currently attending the University of Indiana and is also not only a member of their division 1 NCAA swim team, but has been recently appointed captain. Bronwyn is home for a few days before she has to go back to continue her training.

I would like to invite all members of the House to join me in welcoming her today.

Applause

Hon. Mr. Cathers: Mr. Speaker, I would like to ask all members to join me in welcoming one of my constituents, Hugh Henderson, to the gallery.

Applause

Speaker: Are there any returns or documents
Are there any returns or documents for tabling?
Are there any reports of committees?
Petitions.

PETITIONS

Petition No. 12 — response

Hon. Mr. Cathers: I rise today to respond to Petition No. 12, which was presented to this House on April 30, 2013, by the Member for Watson Lake. I want to begin by thanking her for presenting it, as ministers are not permitted by the Legislative Assembly's Standing Orders to present petitions on behalf of our constituents.

Petition No. 12 recommends that the Government of Yukon change the designation for Mayo Road development area lands, currently zoned "hinterland", to "protected open space" for the purpose of providing a higher level of protection for areas of environmental and recreational significance. The petition also outlines some exceptions to this request, which are noted on the front page of the petition.

My understanding from discussions with one of the petition authors and an organizer is that their intention was to ensure that land sales do not compromise the ability to establish community-related facilities, such as a community hall or hockey rink, or result in the loss of important recreational and environmental areas.

In responding to those who signed the petition, I want to, first of all, ensure that residents understand what activities are and are not allowed in hinterland, as many may be under the misconception that spot land applications can still be made for hinterland within the Mayo Road zoning area.

Government will be following up directly with residents of the Mayo Road zoning area to ensure that they understand what is and is not currently permitted under the zoning regulations, and we will seek to gain a better understanding of what actions government may need to take to reflect the current priorities of people living in this area.

I would like to take this opportunity to clarify the status of land applications in the Mayo Road development area and the types of activities that may be permitted in the hinterland and protected open space zones. The processing of a recent lot enlargement application was tied to historical issues and recommendations arising from a 2005 report completed by Klassen Natural Resources Consulting for the Vista Road area. New spot land applications are not being accepted.

There is only one rural residential lot that would currently be eligible to apply for a lot enlargement. All other rural residential lots in the area are ineligible under the policy. Since 2006, rural residential spot land applications have not been accepted in the Mayo Road development area. While hinterland allows for the possibility of a planned lot development, government has no plans to proceed with planned lot development in this area.

Under the Mayo Road zoning regulations, the hinterland zone and the protected open space zone both allow for public open space recreational pursuits. The hinterland zone allows for some additional activities, such as fuel wood harvesting, hunting, trapping and grazing and contemplates the possibility of future development in an orderly fashion — that being planned development, as I previously mentioned.

Uses within the protected open space zones, on the other hand, are limited to lands where recreational purposes that are to be kept primarily in their natural state except where modifications are necessary to facilitate recreational development, environmental conservation and the public safety.

There are also several parcels of land within this zoning area which was zoned "public use institutional" which have been set aside for future community or public uses and will remain protected under this designation.

Department of Energy, Mines and Resources Land Planning branch assists unincorporated communities in developing local area plans and establishing zoning regulations to ensure orderly development as well as with making amendments to existing zoning regulations or area plans.

In closing, I would like to thank the residents of the Mayo Road development area for taking the time to share their views with the government. In follow-up to the petition, we will be contacting property owners in the Mayo Road development area to clarify what activities can currently occur in the area and to seek their feedback about potential additional steps on the part of government.

Speaker: Are there any other petitions for presentation?

Some Hon. Member: (Inaudible)

INTRODUCTION OF VISITORS

Speaker: Hon. Premier, on a point of order.

Hon. Mr. Pasloski: With your indulgence, Mr. Speaker, I see that just joining us in the gallery now is the Member of Parliament for Maple Ridge. Randy Kamp and his son Adam are here. I think they're here having a little bit of father-and-son time and had the opportunity to join us. Randy is also the Parliamentary Secretary to the Department of Fisheries and Oceans as well.

I'd ask all the members of the House to welcome them and give them a Yukon welcome.

Applause

Speaker: Are there any bills to be introduced? Are there any notices of motion?

NOTICES OF MOTION

Hon. Mr. Nixon: I rise to give notice of the following motion:

THAT the Yukon Legislative Assembly, pursuant to section 22(2) of the *Human Rights Act*, appoints Vicki Hancock, Ashten Staffen, and Patrick Rouble as members of the panel of adjudicators for terms of three years, effective May 19, 2013.

Ms. Moorcroft: I give notice of the following motion:

THAT this House urges the Government of Yukon to immediately:

1. fully implement Transport Canada's safety management system regulations at the Erik Nielsen Whitehorse International Airport which requires airports to develop:

"(a) a safety policy on which the system is based;

(b) a process for setting goals for the improvement of aviation safety and for measuring the attainment of those goals;

(c) a process for identifying hazards to aviation safety and for evaluating and managing the associated risks;

(d) a process for ensuring that personnel are trained and competent to perform their duties;

(e) a process for the internal reporting and analyzing of hazards, incidents and accidents, and for taking corrective actions to prevent their recurrence;

(f) a document containing all safety management system processes and a process for making personnel aware of their responsibilities with respect to them;

(g) a process for conducting periodic reviews or audits of the safety management system and reviews or audits for cause of the safety management system; and

(h) any additional requirements for the safety management system that are prescribed under these Regulations;" and

(2) provide to this House a copy of Yukon government's airports safety policy, its comprehensive SMS training plan for all employees, and all other documents and requirements of the safety management system regulations.

Mr. Barr: I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to reduce bear habituation and the resulting bear-human conflict by improving solid-waste management through:

(1) examining the feasibility of and working with the City of Whitehorse and local manufacturers on a locking system for household curbside bins; and

(2) working with other municipal councils, First Nation governments, local advisory councils and local waste-management societies on bear-proof solutions for waste collection in incorporated and unincorporated communities.

Mr. Silver: I give notice of the following motion:

THAT this House urges the Government of Yukon to work with Parks Canada, the Friends of Bear Creek society, and others to revitalize the Bear Creek site in Dawson.

Speaker: Is there a statement by a minister? This then brings us to Question Period.

QUESTION PERIOD

Question re: Whistle-blower legislation

Ms. Hanson: Twelve years ago, the Yukon Party promised to bring in rules that would protect public servants who blow the whistle on practices that are corrupt, illegal, waste public money, or threaten public safety. Twelve years after the Yukon Party made the first pledge to act, whistle-blower protection remains a broken promise. It's time for the Yukon Party government to tell Yukoners why they pay lip service to the importance of our public servants, and yet at the same time remain unwilling to bring forward whistle-blower protection to actually protect them. Will the Premier explain why this Yukon Party government has not brought forward the whistle-blower legislation to protect public servant who act in good faith?

Hon. Ms. Taylor: First off, I just want to offer from our side of the House — at least to that end — extend our sincere congratulations to the members of the select committee, who in fact went to work for this past year and some and actually made a number of recommendations with respect to putting forth whistle-blower protection for public servants.

That report was received back in December — I think it was in the middle of December. Of course, since that time, we have accepted the report. It is before the Public Service Commission, as well as the Executive Council Office, who are putting together a workplan. Of course, they've been tasked to review each of those recommendations, to put forth some timelines and a workplan necessary to proceed with public interest disclosure legislation. That work is currently underway.

So I'm not sure exactly what the Leader of the Official Opposition is speaking to, but the Government of Yukon is in fact working to bring forth legislation.

Ms. Hanson: We're speaking about timelines and a commitment to a timeline — 12 years is a long time. Despite the lack of protection, courageous Yukoners have stuck their

necks out and have shone the light of public scrutiny on government actions, or lack thereof, at the risk of reprisal.

Public servants serve the public trust by acting with integrity at all times, and it was that obligation that brought public attention to the Corea report. Government had these reports that shed the light on the state of oil-fired appliances but suppressed them and didn't act on the recommendations. Had these reports and Corea's words imploring government to act not come to the public's attention it is doubtful this government would have acted to improve oil-fired appliance safety.

Does the Premier believe that whistle-blowers who brought the Corea report to light should be protected? If so, why is he taking so long to act?

Hon. Ms. Taylor: The Government of Yukon values and respects the work of our public servants each and every day. They work hard on Yukoners' behalf and they are responsible for providing quality programs and services on behalf of Yukon citizens. We thank them for that.

As I have stated on a number of occasions on the floor of the Assembly, there are a number of mechanisms available for public servants in the absence of public interest disclosure mechanisms such as the member opposite refers to. There are provisions within the collective agreements. There are provisions within the *Public Service Act*. There are provisions within the *Ombudsman Act*. There are provisions within ATIPP and of course the *Occupational Health and Safety Act* as well.

Mr. Speaker, if in fact members of the public service feel aggrieved, there are mechanisms currently in place that have been in place over the years. Again, for the record, we are very much committed to bringing forth public sector disclosure interests legislation to the floor of the Assembly. That work is currently underway.

Ms. Hanson: Let's be clear — we're not talking about personal grievances. There are many examples from this legislative sitting alone that emphasize those courageous Yukon values — that what is wrong, is wrong and should be named, despite the fear or risk of reprisal — government's unilateral changes to the whole child program, safety management systems issues at Erik Nielsen International Airport, project bungling at Yukon Archives, the arrest processing unit, F.H. Collins replacement — a myriad of issues within Yukon Education, including the controversial same-sex policy, removal of the principal at Pelly Crossing School, the "gag order" policy change.

Mr. Speaker, does the Premier believe that public servants who witness important safety issues, or worry that the government policy will harm children, or witness project mismanagement to the tune of millions of dollars should be sanctioned for speaking out? Is that what the government is saying?

Hon. Mr. Pasloski: Certainly, we'll enjoy clipping some of that so that we can, in fact, share that with the great public servants who do an incredible job for the government and for all people of the Yukon every day. This, again, is a part of what we've heard from the NDP since the beginning of this 33rd Legislative Assembly.

Twelve years ago, I was a pharmacist and there was nobody — in fact, the Yukon Party wasn't even the government

12 years ago. If the NDP can't even get their numbers correct in terms of how long there has been a commitment — yes, I want to thank the select committee for the work that they've done, and I'd also like to remind the NDP and the Liberals that of all the select committees over the years, they have all been Yukon Party select committees that have gone forward to deal with these issues that have been very important to all Yukoners. There has only been one select committee that was not initiated by this government. Again, I want to congratulate the public servants for the hard work they do every day. Again, I'm concerned about the comments we continue to hear from the NDP, trying to create a situation of misunderstanding, of concern and of fear in the community.

Question re: Dawson City and Watson Lake hospitals

Ms. Stick: Yukoners still have many questions about the Yukon Hospital Corporation's management of the new hospitals. Yesterday, witnesses from the Hospital Corporation appeared in the Legislature. Some of our questions were about the management of the building of the two new hospitals.

We all know the projects are overbudget and behind schedule. Part of the problem seems to be with the general contractor. Yesterday, the witnesses for the corporation said they had no idea Dowland was in default, and I quote: "until it actually happened in February."

When did the minister responsible first become aware that the general contractor, Dowland, was in default of payment to subcontractors, businesses and workers who had completed work on the hospital building projects in Watson Lake and in Dawson City?

Hon. Mr. Graham: I don't have the exact date that I became aware of the difficulties that Dowland was having as a contractor. However, I would have heard about the difficulties a day — at the very most — following the Hospital Corporation's discovery, because they made sure that I was informed as quickly as possible after the event occurred.

Ms. Stick: In February, the corporation gave notice to Dowland that it was in default of its contracts on both hospital projects due to the fact that Dowland was not paying subtrades for work performed. The hospital witnesses said the situation was completely unforeseen and out of their control and that they took immediate action to protect the best interests of the corporation and of the su-trades working on those projects.

I have for tabling a letter from a subcontractor sent to the Yukon Hospital Corporation's project manager last May 2012. That's a year ago, Mr. Speaker. This letter clearly shows the Yukon Hospital Corporation was informed that Dowland had failed to pay subcontractors.

How does the minister explain this contradiction between what the hospital calls "unforeseen" and this letter which shows the hospital was told a year ago that Dowland had failed to pay a subcontractor over a million —

Speaker: Order please. The member's time has elapsed.

Hon. Mr. Graham: I'm not aware of the letter, but I have to wonder why this is being brought up here today. There

is a process. Any contracting situation has its difficulties during the undertaking of a contract. I know of a number of subcontractors over the years who have been in dispute with the general contractor on any number of occasions.

I'm sure that the Hospital Corporation did their due diligence and questioned the contractor about this specific instance, but I don't know what else I can say other than that.

Ms. Stick: This subcontractor has still not been paid a year later. There's an apparent contradiction between how the Hospital Corporation explains their knowledge of Dowland's failure to pay subcontractors and how subcontractors explain it. The corporation was informed a year ago that Dowland had issues with subcontractors. How come the minister didn't hear about it? It's public money — public money for health care. It's not fiscally responsible management. Somewhere between ministerial responsibility and Crown corporation structure, subcontractors have not been paid, and the public is not getting value for its money.

Will the minister explain to this House how the issues with Dowland were “unforeseen” to the Hospital Corporation and to his department when correspondence from a year ago should have raised red flags?

Hon. Mr. Graham: Obviously the member opposite has never been involved in a contractual situation. Contract disputes arise between contractors and subcontractors in every contract, probably, that is undertaken in this territory, and there's a process by which those disputes are resolved.

Evidently the member opposite doesn't understand that process. The process is quite simple: they settle it. If they can't settle it through arbitration or whatever, they take it to court to try to settle it. That doesn't involve the minister, nor should it involve my checking into whether or not the contractor is in a fiscally appropriate position to carry on their contract.

I'm not sure what the member opposite is trying to say. Is it because this government was unaware that a subcontractor hadn't been paid that we're somehow responsible for the whole contract? It's a ridiculous line of questioning. There's a process in place; the process has been followed. I'm not even sure if the facts as presented are accurate and true, but even —

Some Hon. Member: (Inaudible)

Point of order

Speaker: Official Opposition House Leader on a point of order.

Ms. Stick: I would look at 19(g) regarding imputing false motives — whether we're even giving true statements here in the question.

Speaker's ruling

Speaker: I'm not here to deliberate the facts. There is no point of order. Please finish your statement.

Hon. Mr. Graham: As I said, I'm not even sure if the facts as presented are true. If they are, then I'll discuss it with the Hospital Corporation and elicit a response as to why they didn't, or what action they undertook at that time.

Question re: Parks Canada funding cuts

Mr. Silver: Mr. Speaker, I have a question for the Premier. Over the last number of years, Parks Canada has been slowly pulling out of Dawson City. Last summer's decision to end guided tours at Dredge No. 4 was only the latest in a long line of cutbacks. For example, the assets of Bear Creek are no longer open to the public and *SS Keno* is only partially open.

I am sympathetic to local Parks Canada staff as Ottawa continues to reduce funding; however, there is an appetite in Dawson to see these, and other assets such as Bear Creek, being better utilized.

Does the Premier recognize the long-term impact these cuts have on the community of Dawson, and what, if anything, does this government plan to do about it?

Hon. Mr. Pasloski: Indeed, this side of the House is certainly concerned about all the artifacts and historical sites we have, and we recognize the significant role that the area of Klondike does play, not only here in the territory but around the world in terms of the significance of what has occurred — the historical background of the Klondike Gold Rush.

I would like to recognize the work that we have done, and the work of the Minister of Tourism and Culture. When notice first came out about the issue of the possible changes to Parks Canada, I know the minister was on this immediately.

I do know that, although the member opposite does come from the riding and represents the riding of Klondike, the minister did not hear from him on it until last fall. I guess it wasn't that much of a priority for the Member for Klondike at the time, but I know our Department of Tourism and Culture has been working diligently on this. They have been working together with the Tourism Industry Association of Yukon. We note some of the solutions that came forward for the dredge and for the *SS Klondike*, and we'll continue to work with the federal government, through the Department of Tourism and Culture, to ensure we can preserve those artifacts that are important to all Yukoners.

Mr. Silver: I won't personalize my side of this debate. The Friends of Bear Creek Society was formed as a result of the ongoing Ottawa-directed cutbacks to the Parks Canada Klondike budget. I know Parks Canada staff in Dawson are very passionate about their work. They're simply not getting the support they need from the federal government. The society's mission is to bring together those people interested in the history and the preservation of Bear Creek and the Yukon Consolidated Gold Corporation, or YCGC. They want to preserve, restore and rejuvenate the artifacts and assets related to YCGC, and in particular, their Bear Creek camp, through various fundraising and restoration initiatives. They want to make Bear Creek buildings and artifacts accessible while ensuring their protection.

Is the Government of Yukon prepared to work with Parks Canada, the Friends of Bear Creek Society, and others to revitalize the Bear Creek site?

Hon. Mr. Nixon: In addressing the member opposite's question, I think we have shown a real collaboration in the way we work with Parks Canada. We can just look at last year with the cuts to the *SS Klondike* and Dredge No. 4 for an

example: my meetings with Minister Kent, the federal Minister for Environment; my meetings with the Hon. Minister Maxime Bernier for Tourism; and my meetings with Hon. James Moore for Heritage.

We will continue to work with our federal counterparts on a number of the Parks Canada issues. I think our work in the past has proven to be successful, but the Government of Yukon is very pleased by the measures taken by the Government of Canada to ensure that Yukon continues to offer high-quality tourism experiences and products here in the territory.

I thank the member opposite for his question, but he just needs to look back into *Hansard* from earlier this session to the work that we did with the federal government and Parks Canada to mitigate the issues of the *SS Klondike* and Dredge No. 4.

Mr. Silver: I don't know if my microphone is on or not, but I'm not talking about those; I'm talking about Bear Creek.

The best case scenario is that Ottawa starts putting more money into Bear Creek and other park assets in Dawson. In terms of the Friends of Bear Creek, the guiding principles of the society are making Bear Creek's buildings and artifacts accessible while ensuring their protection, promoting a deeper understanding and appreciation of Bear Creek and YCGC, and working with other societies, museums, organizations and community institutions for the protection and preservation of Bear Creek. As the MLA for Klondike, I support the efforts that Dawson residents have made to date to save our history, but we need to do more.

What concrete actions is the Premier prepared to take to ensure that our history in Dawson is preserved and promoted?

Hon. Mr. Nixon: The Yukon government is, as I said, pleased that the Government of Canada will ensure that the Parks Canada collection of historic artifacts will remain in the territory. These significant heritage resources will continue to be managed locally by Parks Canada with the assistance from specialized national collections and curatorial staff. The Department of Tourism and Culture will continue to work with the Government of Canada to ensure that Parks Canada will properly maintain the artifacts for the benefit of both Yukon residents and visitors to the territory.

I, myself, will continue on with the relationship that I have with the federal government and the counterparts in Environment, Tourism and heritage and work collaboratively with the government, with our MP and our Senator to move forward with heritage initiatives and issues within the territory.

So I'll continue my good work, as I think I've proven with the cuts to the *SS Klondike* and Dredge No. 4. Moving forward, I'm happy to meet with the Friends of Bear Creek and see how we can move forward from today.

Question re: NGO funding

Ms. Stick: We heard from the Minister of Health and Social Services yesterday that he has directed his department to look at NGO funding for advocacy and to beginning to cut back that funding.

I would remind the minister that many of his services in his department that provided to Yukoners of all ages began with NGOs. Child welfare programs across Canada began at a

grassroots level — citizens advocating for change in the care of our children. Many Rivers, once Yukon Family Services, was started by a group of citizens who advocated for counselling services. It is the grassroots organizations and NGOs that are most often the voice of individuals and groups who are not heard. It is their voices that point out inequalities and advocate for people left behind.

Why would this minister want to stifle voices advocating for fairness and change?

Hon. Mr. Graham: It's interesting that the conclusion is drawn by the member opposite that we hope to stifle the voices of NGOs when this government has not only substantially increased funding to NGOs almost across the board in the last year, but the number of NGOs receiving funding from the government is at an all-time high.

What I had to say the other day about reallocating funding within the NGO community is about choices. It's about providing front-line services to people who actually need those services. It's about providing services to people through NGOs who actually need a service. It's a choice that I have made within my department to say if services are going to be needed in a certain area, then we will reallocate funding from the groups who simply provide advocacy services and no actual services to individuals.

Ms. Stick: It sounds like this government is not interested in what Yukoners have to say. These NGOs are groups of volunteer citizens who see gaps in service.

A few more examples: it was concerned individuals and parents of the Yukon Childcare Association who advocated 39 years ago that there be legislation and regulations around day-care; it was concerned seniors who advocated for recognition and protection around senior and elder abuse; it was the Yukon Anti-Poverty Coalition that advocated and worked hard to get the Whitehorse Food Bank up and running. Why does this minister think that groups such as these that advocate to bring to the forefront social justice issues that impact our families, our neighbours, our friends, and our communities don't deserve some core funding?

Hon. Mr. Graham: Obviously, the member opposite has no concept of what we're talking about here. The vast majority of the NGOs that we're funding at the present time also advocate on behalf of their clients. I just spoke recently with the Second Opinion Society in an advocacy role last week. What they were advocating for is additional funding for their group. If we can increase funding to that group and provide evening and weekend services to their clients, it's something that we believe in. It's something that we think is a reasonable and valuable service provided to individuals in the community, more so than other groups that simply provide no services to those individuals.

The number of advocacy groups we're talking about here is not large. The members opposite seem to think we're going to cut funding for a huge number of groups in the upcoming budget — that's simply not true. What we're attempting to do is allocate our funding so we get the biggest bang for our buck — that we get the services to those people who need them.

It's interesting to hear the members opposite, who think that we shouldn't provide additional services to people who really need them — people with mental illnesses, people with addictions difficulties, and things like that. Those are the people we believe deserve funding. It's interesting to see that members opposite don't —

Speaker: Order please. The member's time has elapsed.

Question re: Sexual assault awareness

Ms. Moorcroft: May is Sexual Assault Prevention Month and this year's theme is "Shifting the Social Response." Changing the way we all respond to sexualized assault and those who come forward to report it will change the way sexualized assault is perceived in society and shift how a woman who has experienced violence will heal. Yukon women's groups have shared the "Don't Be That Guy" poster campaign around downtown Whitehorse. It's not sex without voluntary consent; it's not sex when a woman is drunk. It's tragic that women have to be leading the call for an end to this violence, when 98 percent of sexual assault offenders are male. Men must end sexual assault.

Many women choose not to report sexual assault to the police because experience tells them women are not believed or will be blamed for an act of violence against them.

Has the Minister of Justice directed the RCMP to offer annual training for all its members on effective sexual assault investigation and evidence gathering techniques as well as on improving —

Speaker: Order please. The member's time has elapsed.

Hon. Mr. Nixon: I thank the member opposite for her question. This government takes the issue of sexualized assault extremely personally, and we are working on addressing the issue and working collaboratively with the RCMP.

During the police review, service providers and clients called for a more consistent and effective coordinated and informed response to domestic violence and sexualized assault by police and other agencies. The final report of the review — called *Sharing Common Ground* — that the member opposite is well aware of, recommended, among other things, that a team with the RCMP be created in response to domestic violence and sexualized assault.

This year the Government of Yukon has provided funding to the RCMP to establish a four-person specialized response unit — or SRU — with M Division here in Whitehorse. By establishing this unit, M Division can be more effective in responding to domestic violence and sexualized assault and improve coordination with other agencies. The unit is now fully staffed and has begun working closely with stakeholders and advancing investigations on files related to its mandate.

Ms. Moorcroft: A UN women's website, Say No - UNiTE to End Violence against Women, reports that based on available country data up to 70 percent of women experience physical or sexual violence from men in their lifetime, the majority by husbands, intimate partners or someone they know. In fact, acts of violence against women by men cause more death

and disability than cancer, malaria, traffic accidents and war combined.

The minister could promote an end to sexualized assault by urging the office of public prosecutions and the RCMP to work together to increase the prosecution rate for sexualized assault and other crimes of violence against women. Is the Minister of Justice prepared to direct the RCMP to set a goal of increasing the prosecution rate for reported sexual assaults from 10 percent to 50 percent over the next year and to work with the office of public prosecutions to achieve this goal?

Hon. Mr. Nixon: Mr. Speaker, the member opposite should be well aware that just within the last few weeks we've established our policing priorities and forwarded those on to M Division.

I think it's important to go over the priorities here in Question Period, so people listening and people reading *Hansard* have access to this information.

The first priority was to focus on preventing and decreasing the victimization of children and youth — very important. The second one was to continue to improve the response to sexualized assault and family violence, including abuse in intimate partner relationships and child abuse. The third priority was to work with the public and service providers to identify and address community safety issues. The fourth priority was to build and foster constructive and respectful relationships within First Nation leadership, communities and citizens. The final priority to the RCMP from this government and me, as Minister of Justice, was to improve the police response to vulnerable populations, with a particular focus on individuals with mental health issues and addictions.

Ms. Moorcroft: Well, as the minister said, I am well aware of what the report *Sharing Common Ground* says. I am well aware of what the government has said it will do in responding to the recommendations in *Sharing Common Ground* — but that's not the question that I asked the minister.

I'd like to ask the minister to respond to the question: Is the Minister of Justice prepared to direct the RCMP to set a goal of increasing the prosecution rate for reported sexual assaults from 10 percent to 50 percent, and is he prepared to work on that diligently over the next year and ask the RCMP to work with the office of the Public Prosecution Service to achieve that goal?

Hon. Mr. Nixon: Mr. Speaker, we do work collaboratively with the RCMP within the territory on a number of issues and priorities. One of the priorities we did include, which the member seems to be speaking about, was priority number two for me as Minister of Justice to the RCMP, and I'll repeat it in case the member opposite wasn't listening. It was to continue to improve the response to sexualized assault, family violence, including abuse in intimate partner relationships and child abuse.

I think we have proven as a government and through working with the federal government that victims issues are a top priority for us, and it seems to be a top priority for the Government of Canada. We will continue to build upon the relationships with the RCMP, with the federal Minister of Justice, with the federal Minister of Public Safety, and work on issues

pertaining to victims and moving forward to ensure that they too have the support they need.

Speaker: The time for Question Period has elapsed.

Notice of government private members' business

Hon. Mr. Cathers: Pursuant to Standing Order 14.2(7), I would like to identify the item standing in the name of the government private members to be called for debate on Wednesday, May 15, 2013. They are Motion No. 466, standing in the name of the Member for Watson Lake, and Motion No. 473, standing in the name of the Member for Pelly-Nisutlin.

Speaker: We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Motion No. 461

Clerk: Motion No. 461, standing in the name of the Hon. Mr. Pasloski.

Speaker: It is moved by the Hon. Premier

THAT the Yukon Legislative Assembly, pursuant to section 2 of the *Ombudsman Act*, recommends that the Commissioner in Executive Council appoint Diane McLeod-McKay as the Ombudsman of Yukon for a term of five years, effective June 10, 2013.

Hon. Mr. Pasloski: An all-party subcommittee created by the Members' Services Board of the Yukon Legislative Assembly has recommended the appointment of Diane McLeod-McKay as the next Yukon Ombudsman. The subcommittee was given responsibility for recruiting a nominee to be placed before the Assembly for its consideration. It placed advertisements inviting applications in local newspapers on March 11, 13 and 15. A total of 21 applications were received. Following shortlisting, the subcommittee conducted interviews on April 19 and 26.

Ms. McLeod-McKay has impressive credentials for this position. She joined the Office of the Information and Privacy Commissioner of Alberta as the director of the *Personal Information Protection Act* in September 2011. Prior to her position as director, she spent several years at the Calgary Health Region where she was responsible for legal services and information and privacy.

After relocating to British Columbia in 2004, Ms. McLeod-McKay worked as a privacy and security consultant for the Government of British Columbia. In 2009, Ms. McLeod-McKay obtained her law degree from the University of Victoria and focused her practice on advising the private, public and health sectors on their responsibilities for compliance with privacy legislation.

Throughout her career she has participated on many committees advocating for the protection of privacy, including the Canadian Bar Association access and privacy section and the Vancouver Island Clinical Research Ethics Board. I commend her appointment to all members of this House.

While I'm standing, with your indulgence I would also like to acknowledge and thank Tim Koepke, who is our Yukon

Ombudsman and Information and Privacy Commissioner, for his work. As you know, he will be passing over the reins upon approval of this Legislature. So I'd like to thank Mr. Koepke for his work.

Applause

Ms. Stick: On behalf of the NDP, I would also support this motion and the appointment of Ms. McLeod-McKay as the Ombudsman and Information and Privacy Commissioner.

I want to also thank the member of the Third Party and the member from the government who sat as part of the interview committee with me and with the staff person from the Legislative Assembly Office. It was a pleasure to work with them and it was not a hard decision to come to after completing the interviews and looking at resumé's. It was a unanimous decision. It was a pleasure to be a part of that process.

I, too, would like to thank Mr. Koepke for his hard work and for his agreeing to stay on for a week or two after Ms. McLeod-McKay begins her job, to introduce her to the office and to the work that needs to be done. I think we will see great results from this appointment and, in particular, I'm very pleased that this is a full-time position and not half time.

I look forward to working with this individual and seeing the results of her hard work.

Speaker: Does any other member wish to be heard? Before putting the question, the Chair must draw members' attention to section 2 of the *Ombudsman Act*. That section requires that the recommendation of the Legislative Assembly to the Commissioner in Executive Council respecting the appointment of the Ombudsman be supported by at least two-thirds of the members of the Assembly. The effect of section 2 is that, for the motion to be carried, at least 13 members must vote in favour of it.

Division

Speaker: In order to ensure that the requirements of section 2 of the *Ombudsman Act* are met, the Chair will now call for a recorded division.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Pasloski: Agree.

Hon. Mr. Cathers: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Graham: Agree.

Hon. Mr. Kent: Agree.

Hon. Mr. Nixon: Agree.

Ms. McLeod: Agree.

Hon. Mr. Istchenko: Agree.

Hon. Mr. Dixon: Agree.

Mr. Hassard: Agree.

Ms. Hanson: Agree.

Ms. Stick: Agree.

Ms. Moorcroft: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Barr: Agree.

Mr. Silver: Agree.

Mr. Elias: Agree.

Clerk: Mr. Speaker, the results are 18 yeas, nil nays.

Speaker: The yeas have it. I declare the motion carried.

Motion No. 461 agreed to

Hon. Mr. Cathers: Mr. Speaker, I move that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Speaker: It has been moved by the Government House Leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Ms. McLeod): Order. Committee of the Whole will now come to order.

Motion re appearance of witnesses

Committee of Whole Motion No. 4

Hon. Mr. Cathers: I move

THAT Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors; Greg Komaromi, president and chief executive officer of the Yukon Development Corporation; Piers McDonald, chair of the Yukon Energy Corporation Board of Directors; and David Morrison, president and chief executive officer of the Yukon Energy Corporation appear as witnesses before Committee of the Whole from 3:30 p.m. to 5:30 p.m. on Tuesday, May 14, 2013 to discuss matters relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Chair: It has been moved by Mr. Cathers

THAT Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors; Greg Komaromi, president and chief executive officer of the Yukon Development Corporation; Piers McDonald, chair of the Yukon Energy Corporation Board of Directors; and David Morrison, president and chief executive officer of the Yukon Energy Corporation appear as witnesses before Committee of the Whole from 3:30 p.m. to 5:30 p.m. on Tuesday, May 14, 2013 to discuss matters relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Hon. Mr. Cathers: I will be very brief in introduction. This is a procedural motion to call witnesses.

Committee of the Whole Motion No. 4 agreed to

Chair: The matter before the Committee is Vote 18, Yukon Housing Corporation in Bill No. 10, *First Appropriation Act, 2013-14*. Do members wish to take a brief recess?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 15 minutes.

Recess

Chair: Order. Committee of the Whole will now come to order.

Bill No. 10: *First Appropriation Act, 2013-14* — continued

Chair: The matter before the Committee is Vote 18, Yukon Housing Corporation, in Bill No. 10, *First Appropriation Act, 2013-14*.

Yukon Housing Corporation — continued

Hon. Mr. Kent: Before I begin I would just like to welcome officials from the Yukon Housing Corporation. Pamela Hine is the president of the Yukon Housing Corporation, Mark Davey is the director of finance for the corporation. I welcome them to the Legislature to provide support to me today.

Members may notice that I am a little sullen today, or perhaps somber, and that is because after nine long years out of the playoffs, my beloved Maple Leafs were eliminated last night, as many will know. I will be returning my Wendel Clark jersey to the closet and perhaps bring it out again next year at this time. Congratulations to all fans and those who support the Boston Bruins on quite a comeback.

When I left off last time, we were speaking about some specific programs with respect to the Yukon Housing Corporation. There are five strategic goals that are outlined in the new strategic plan. Just to repeat them for members: first is to facilitate access to more attainable and sustainable home ownership; second is to support initiatives to increase the availability and affordability of rental accommodation in the Yukon; third is to develop strategic partnerships with Yukon government departments, other governments, non-governmental organizations and the private sector in pursuit of collaborative initiatives to enhance the full range of choices along the housing continuum in the territory. The fourth and fifth are internal goals, but I will outline them here for members: the fourth one is to work to continually improve the corporation's organizational effectiveness and accountability framework to ensure the effective and efficient delivery of the corporation's established, newly created or enhanced programs; and fifth is to ensure adequate human resources planning and capacity to support their strategic goals and operational plans of the corporation.

When we left off last time, I was in the midst of expanding on some of the projects or programs that are underway. I did get through the new Options for Independence building that's located here in Whitehorse and that 14-unit supported independent living complex for adults with FASD. I didn't get a chance to talk about the other programs and projects so at this point I'll move into that. The down payment assistance program: Yukon Housing Corporation provides a range of loans to eligible Yukon individuals and landlords for the purpose of acquiring, constructing or improving housing. The recently announced down payment assistance program is a loan program designed to assist Yukoners to top up their down payments savings so that they may qualify for a mortgage to pur-

chase a house of their own. Having the required down payment is all that is preventing many renters from purchasing their own home.

What some are paying in rent would be equal to a monthly mortgage payment. This home ownership program can help bridge the affordability gap that sometimes prevents working people from moving out of the rental market and into home ownership.

If you are a Yukoner making up to \$90,000 per year who is approved for a bank mortgage, Yukon Housing Corporation is going to offer a loan to cover up to five percent toward the down payment. The maximum amount of that would be \$18,000. Homeowners who qualify will have to put up 2.5 percent toward the down payment. The Yukon Housing Corporation loan will be amortized over 15 years, with an initial five-year term.

Over the first five years, homeowners will have the option of an interest-only payment or full payments to help them ease into home ownership. For the first five years, the interest rate will be set at two percent. If homeowners sell or refinance, the Yukon Housing Corporation loan must be paid out.

Besides the income limits, there are other limits associated with this new loan program. In keeping with the Yukon Housing Corporation's commitment to educating Yukoners on home ownership issues, clients who access this program will be required to sit down with one of our lending experts to discuss the challenges around home ownership.

The home being purchased must be a principal residence. We're not helping people buy investment properties. We're looking to help families get into homes of their own.

We're also limiting the amount we will lend to \$18,000, which equates to roughly five percent of a \$365,000 home. Our 2013-14 budget contains \$1 million in loan assistance, and it is contained in the \$6-million line item identified as "Mortgage Financing Loans".

I'm going to speak about the Mayo seniors project now. In March, I travelled to the community of Mayo, along with the Premier and the Minister of Health and Social Services, and was very pleased to announce, at a very well-attended lunch, that our government will commence the planning of a new seniors building in Mayo. Seniors are the fastest growing demographic in the Yukon. The number of seniors aged 65 and older is projected to make up 15 percent of the total population by 2021. Over the past five years, the Housing Corporation has constructed new seniors housing facilities in Watson Lake, Teslin, Faro, Haines Junction and Whitehorse. Seniors would like to have the option to remain in the communities where they have raised their families and lived their lives. We are constructing seniors housing so that Yukoners have the option of living in their home communities and remaining close to their family and friends.

\$359,000 has been included in the 2013-14 budget for design work and site remediation, with the objective being a new seniors building that has accessible units, is energy efficient and addresses the housing needs of seniors in Mayo.

This phase will include input by the newly formed accessibility advisory committee, comprising housing, health and disability management specialists.

Madam Chair, may I have the time?

Some Hon. Member: (Inaudible)

Hon. Mr. Kent: I'll take my remaining time to speak on the replacement of the Alexander Street apartments. The same holds true for the new seniors building, which will replace the outdated 207 Alexander Street apartments. Having those with insights into disabilities assisting our design product can only mean a better product in the long run. When the new 30-unit seniors building on Waterfront Place was completed, tenants at 207 Alexander Street moved into the new building. As a government, we explored options at that time for another use but, in the end, we made a decision that it was more cost-effective to tear down the existing building and replace it with a modern one.

There are almost 50 seniors currently on our waiting list for housing in Whitehorse so, based on today's numbers, our 34-unit building will address approximately 70 percent of housing needs on our current wait-list. The 2013-14 budget includes \$7 million for the demolition and construction of the new 207 Alexander Street building, with construction scheduled for completion in late summer 2014.

Of the total projected cost of approximately \$12.6 million, \$2.7 million is recoverable from the senior housing management fund, as well as \$2.55 million through the Government of Canada's affordable housing initiative. Given that, perhaps I'll sit down and conclude the rest of my introductory remarks after turning the floor over to the Member for Takhini-Kopper King.

Ms. White: I'd like to acknowledge and thank the officials for being in the House today and for their ever-informative briefings, especially in the new direction that Yukon Housing Corporation appears to be taking. Some of that is just knowing that lessons have been learned from previous seniors housing. We're talking about accessibility as people age and their physical abilities change, and knowing that we're moving forward with that in both the Mayo housing and the Alexander Street housing is fabulous and very exciting to hear.

I'm happy to hear about the education campaign for new home buyers, as I have just entered that market myself. There are lots of lessons to learn, and it's great to know that the corporation is guiding people through that process.

I'm just going to get right into it, knowing that we have a limited amount of time today. The first thing I want to talk about is the checklist of what to look for when inspecting a masonry chimney — that's on the Yukon Housing Corporation website.

The reason that I want to draw attention to this is that I have questions about it. In the third paragraph it says, "We suggest that you hire a WETT-certified chimney professional who can examine the chimney in the complete and correct manner. Most also offer repair services, and can suggest what repairs are needed, and provide alternatives for the particular chimney on your house." And it gives a definition of what "WETT" is: "Wood Energy Technology Transfer, is a non-profit training and education association. WETT promotes the

safe and effective use of wood burning systems in Canada. A WETT chimney professional is trained on chimneys for all forms of home heating including Wood, Oil and Gas.”

My big question is about that statement there, “oil and gas” — it says that a WETT professional is trained on that. If you go on-line on many different sites across the country, they make it very, very clear — for example, Wood Energy Technicians of British Columbia is the provincial governing body of the wood energy technical training program in British Columbia. WETT is Canada’s only system for training and recognizing professional competence in the field of residential wood-burning. We talk again, the mission statement for Ontario: “For practitioners of trades related to the sale, installation, maintenance and inspection of systems using wood and other biomass fuels.”

It doesn’t say anything about fossil fuels — oil and gas. My concern is that on this information sheet for people who are trying to learn more about their chimneys, it says that you can contact a WETT-certified chimney professional, and that they specialize in oil and gas. All information across the country says very clearly that it’s about wood-burning appliances only and about biomass. I was just looking for clarification on that information sheet.

Hon. Mr. Kent: Just to address the member’s question prior to completing my opening remarks, I want to say that after we did have debate during the oil-fired appliances consolidation act that was passed during this session, the member opposite asked a similar question and I did check with officials at the Housing Corporation. This wood energy technology transfer — it’s my understanding that that is the standard, that work is done by a WETT-certified company and inspected to the WETT standard when it comes to masonry chimneys. That is the information that I did receive from officials at the Housing Corporation. There is a local company that is WETT certified. Nad Construction is that company and that’s who homeowners can use as, of course, chimney service is the responsibility of the homeowner.

I’m just going to get into now completing opening remarks with respect to the budget that’s before us. I wanted to link the corporation’s strategic goals to activities and budgetary allocations so that members opposite can see the operationalization of Yukon Housing Corporation’s new strategic plan. Strategic goal 1: facilitate access to more attainable and sustainable home ownership in the Yukon. That’s being done two-fold through purchase and repair.

We, of course, have the first mortgage program that we offer — a minimum 2.5 percent down payment. The maximum loan amount is \$360,000, amortized to a maximum of 30 years. Clients who access this program could not otherwise enter into home ownership. The program emphasis is to offer an affordable option to Yukon families in need of home ownership. Our budget for this line item is \$6 million.

The owner-build program is another one that offers mortgage financing to qualified applicants. Clients must demonstrate they have the ability to contribute sweat equity to the project in the form of labour or project management equal to 10 percent of the project cost. In addition, clients must provide a 2.5 percent minimum down payment.

Homes must be modest, entry level and meet Yukon Housing Corporation’s energy efficiency standards. Clients have up to two years to build the home. Qualified clients receive a tiered interest rate as the project proceeds. The program allows eligible clients the opportunity to provide sweat equity to reduce the initial costs required to enter into home ownership. The program also provides self-managed builders with technical assistance and a workable flow of funding through construction. Our budget for this year for that program is \$1.1 million.

The home completion program assists eligible home owners in rural Yukon with financing to complete the construction of their home. Applicants must demonstrate they are unable to obtain private sector financing and must be able to meet their mortgage obligations. Housing must meet applicable codes and regulations. I should mention that the demonstrated need — that applicants must demonstrate they are unable to obtain private sector financing — will also apply to the first mortgage program.

Qualification for this loan is based on conventional mortgage underwriting practices. Home completion program loans have a 30-year amortization period, with five-year terms, and the interest rate is based on current market rates. This program is available to home owners in rural jurisdictions because they can encounter financing issues since banks will finance based on market value, and not the cost of construction.

The home repair program offers all Yukon homeowners the opportunity to borrow money at low interest rates to address building components in need of repair, energy efficiency upgrades, overcrowding and accessibility issues. This program aims to improve the overall quality and safety and to extend the useful life of Yukon’s existing housing stock.

Technical officers complete an assessment report looking for safety deficiencies and the general condition of all housing components. This includes furnaces and oil tanks, as they are deemed eligible repair items under the program. I know we’ve spoken about this during this session — that this program currently is being used to help Yukoners upgrade their furnaces and heating systems. We may look, at some point in the future, at creating a separate program that is geared directly to upgrading heating systems and tanks and chimneys to ensure that individuals are safe. In the absence of that program being developed, individuals can access the home repair program to upgrade their heating systems.

Subsidies may be available based on a client’s income, family size and the community in which they live.

Our budgetary allocation this year is \$2.5 million.

The home repair enhancement program aims to improve the overall quality and safety and extend the useful life of our housing stock and is available to clients who have access to all of the home repair program funding that’s available to them. This program offers eligible homeowners the opportunity to borrow at interest rates comparable to bank rates, to address building components in need of repair, energy efficiency upgrades, basic water and sewer facilities, overcrowding and accessibility issues. Our budget for this is for homeowners to

proceed with additional repairs over and above what is available through the home repair program.

Madam Chair, we have energy management loans. The program encourages the development and delivery of residential energy management programs to Yukoners. The program offers low-interest financing to Yukon homeowners to install an alternate heating system in their home. These systems include electrical power systems that harness energy primarily from renewables and can also be a heating/cooling system which does not use fossil fuel for combustion such as heat pumps and heat exchangers.

The 2012 flood relief initiative last year — of course members will recall that the residents of Upper Liard suffered loss of property and personal possessions due to a flood. Through the supplementary budget process last year, our government introduced funding to assist affected homeowners. Our forecast for expenditures in 2012-13 was \$3.46 million. We have included \$100,000 in this budget to cover the remaining expenses.

The second strategic goal of the corporation is to support initiatives to increase the availability and affordability of rental accommodation in the Yukon. The corporation's approach to this strategic goal includes social housing, staff housing, working collaboratively with non-government organizations and the private sector.

As members of the Legislature are aware, Canada has provided over \$50 million through Canada's economic action plan for the construction and repair of social housing. We have utilized all of this funding and have significantly added to the social housing stock in many Yukon communities. We have also upgraded, through capital repairs, over 300 units in the existing stock.

The funds provided by Canada were exclusive to the capital budget. By proceeding with this capital funding, the Government of Yukon committed to the responsibility of ongoing O&M funding. In this year's budget, the corporation has allocated just over \$10.2 million in O&M funding for the housing operations branch, which is responsible for the delivery of the social and staff housing programs.

This budget also contains projected rent recoveries of \$5.134 million. The governments of Yukon and Canada provide millions in O&M funding in this budget to offset the cost of providing social housing. However, it should be noted that Canada's contribution is restricted to \$4.372 million, funded by the 1998 social housing transfer agreement.

This budget also contains \$7 million in capital funding for the construction of a new seniors building on Alexander Street in downtown Whitehorse. It's projected the building will include 34 independent apartments, accommodating features, and will be built to the corporation's energy efficiency standards. As mentioned again, in addition, this government has allocated \$359,000 toward a seniors building in the community of Mayo. There is some remediation that is required on the property that has been identified, as well as design this year with construction occurring next year.

With respect to Options for Independence and their 14-unit apartment building, this budget also contains \$2 million and

\$50,000 for this project. Finally, there is \$600,000 for the repair and upgrade of existing social housing units. In all, there is over \$10 million in this capital budget in support of social housing.

When it comes to staff housing, rental accommodations are provided to Government of Yukon employees to help ensure the recruitment and retention of qualified employees to deliver government programs and services in rural Yukon.

Whitehorse has a developed housing market, therefore staff housing is not available in our city. However, the staff housing portfolio outside of Whitehorse consists of 153 units, located in 13 rural communities. The corporation is responsible for ongoing maintenance, capital repairs and improvements. Local housing managers address tenant issues and coordinate maintenance and repairs. Staff housing units are now built to the corporation's energy standards and, where feasible, to the corporation's accommodating home standards. The 2013-14 mains include an allocation of \$600,000 for the capital upgrade of staff housing units.

The rental suite program aims to provide financial assistance to a maximum of \$25,000 at a low interest rate to qualified Yukon homeowners who have a rental living suite within their place of residence in need of repair or wish to construct a new living suite within their place of residence, where zoning allows. The program effectively stimulates homeowners with rental suites to repair the units to a higher safety standard, to improve energy efficiency and improve accessibility and the overall general condition of the suites. The main estimates include \$150,000 for this line item.

The rental rehabilitation program aims to provide financial assistance up to a maximum of \$30,000 per unit at a low interest rate for qualified owners of residential rental units in need of repair, energy upgrading or accessibility upgrades.

The program effectively encourages owners of rental suites to complete repairs or upgrades to the rental suites to higher standards. It also provides funding for the upgrading and continued availability of safe and appropriate rental accommodations. Our budget for the 2013-14 fiscal year includes \$100,000 for this program.

The third strategic goal of the corporation is to develop strategic partnerships with Yukon government departments, other governments, NGOs and the private sector in pursuit of collaborative initiatives to enhance the full range of choices along the housing continuum in the Yukon. I'd like to focus on two approaches that support the corporation's goal of developing strategic partnerships.

The corporation has multiple operating agreements with NGOs for the provision of housing. This includes Habitat for Humanity, Kaushee's Place, the Dawson City Women's Shelter, Options for Independence, Gateway housing and the Whitehorse Housing Co-operative. Community organizations play a significant role in the delivery of housing to Yukoners, especially the targeted groups, such as seniors, those with disabilities and those escaping violence or abuse.

Our 2013-14 O&M budget includes an allocation of \$425,000 for the NGOs I just mentioned. The corporation is

proud to assist these NGOs, and I thank the boards and staff of all of these organizations for their contributions.

The second approach I wish to mention is the recent creation of the Accessibility Advisory Committee. This committee was created to address access issues in our existing units and with respect to new builds. The committee is a body of housing, health and disability management specialists who will provide advice on accessibility features of new housing projects and improvements that could be made to the corporation's existing facilities.

The first task for the committee was to provide advice on the design of the new 207 Alexander Street seniors residence and, following that, advice on the Mayo seniors housing facility. The committee will also provide advice on accessibility in the corporation's existing stock. The corporation builds, owns and operates a variety of housing to meet the needs of social and staff housing tenants. We strive to provide housing choices that serve the varied needs of our tenants, including accessibility features to accommodate the special physical needs of many tenants. This committee includes representatives from the seniors community, as well as current YHC tenants who reside in our housing units.

The Accessibility Advisory Committee will provide advice to the corporation on matters relating to the following: accessibility concerns that may be present in the Yukon Housing Corporation's existing housing; solutions that should be considered by the Housing Corporation to improve accessibility and/or remedy accessibility issues in the corporation's existing housing; the accessibility of the bathrooms — especially the tub-surround bathrooms.

I've been in many seniors units throughout Whitehorse, as well as the communities, that were built. It was found that in some of the newer seniors buildings that has certainly been identified as an accessibility issue by seniors and home care workers. Rather than address it in a series of one-offs, we're looking for solutions that this committee can bring forward so that we can come up with solutions. These bathtubs are often deep and narrow with few areas to install the needed grab bars. The committee will be looking at a range of options to address the accessibility of bathtubs in seniors buildings.

Our fourth strategic goal is to work to continually improve the corporation's organizational effectiveness and accountability framework to ensure the effective and efficient delivery of the corporation's established and newly created or enhanced programs.

I realize that I've spoken to this matter already. However, it reflects such an important cornerstone of the new and the future direction of the corporation that I want to take just a moment to restate earlier comments.

A scan of the corporation's operating environment including strengths, weaknesses, opportunities and threats was completed last year. The new five-year strategic plan has been developed and implemented. There is a new protocol agreement that exists between me as minister and the board, as well as involvement of the president in that protocol agreement as a representative of the corporation — new housing projects and programming that supports the corporation's governance struc-

ture. While a lot has been accomplished in a relatively short period of time, I certainly want to extend my sincere appreciation to all of those who were involved.

The final strategic goal and my concluding remarks in this opening address are to ensure adequate human resources planning and capacity to support the strategic goals and operational plans of the corporation. Working closely with the board of directors, the corporation will undertake an evaluation of its programs and services and ensure the staffing complement provides the expertise required to move forward.

In closing, I would like to extend my sincere appreciation to Claire Derome, the chair of the Yukon Housing Corporation Board of Directors, and all of the members of the board for their dedication and commitment to attain housing for Yukoners. I'd also like to acknowledge the funding provided by the Government of Canada that is contained within this budget. These funds assist in the cost of affordable housing, social housing and flood relief.

Finally, to the president and staff of the corporation, a big thank you for the quality of service that you provide to clients each and every day and the improvements that you've undertaken in the provision of that service over the last 18 months during my time as minister responsible for the Yukon Housing Corporation.

This budget fundamentally supports and strengthens the commitments that we made in 2011 to all Yukoners. Again, I'm looking forward to more questions and thank members opposite for allowing me to complete my opening remarks. I'm looking forward to not only general debate on the mains, but also the detailed debate that will come in line-by-line. Just to reiterate my answer to the member's question with respect to the standards, it is my understanding that those WETT standards are the national standard for all chimneys, not just the wood-burning chimneys. If I do stand corrected, I will get that information over to the member opposite as soon as I can.

Ms. White: I thank the minister for his remarks. I guess my concern — just to clarify — is that the Yukon Housing Corporation website indicates WETT chimney professionals are trained on all chimneys and all forms of home heating, including oil and gas.

Across Canada, the definition is strictly "wood" and "biomass". The fact that it's included in this and it's in the definition — my one request would be — just based on the legislation that was passed that only certified oil burner mechanics may repair or alter a chimney that's attached to a fuel-burning appliance — I was wondering if the corporation would consider just removing the words "oil and gas" from the definition of what a wood energy technology transfer expert is. They are three words: oil and gas. It's just to clarify that although they can sweep the chimney, that is the only thing that can happen when it's attached to an oil-burning appliance and that's just based on the week I spent at the coroner's inquest — so just to clarify that.

We have seen some really great examples. Last December, the Conference Board of Canada chose a project in Dawson City as a successful example of how a small northern community can deal with housing challenges. They were celebrating

the lessons learned by the Tr'ondëk Hwëch'in in Dawson City and they identified Han Construction as working constructively with the Housing Corporation, which is fabulous and it's a great example.

We have concerns, and the question is this: Is this type of innovation still possible or is this housing program no longer possible due to the federal changes and because of loan guarantees?

Hon. Mr. Kent: Madam Chair, I thank the member opposite for the question. I will instruct officials to look into the definition that they've provided with respect to the wood energy technology transfer. Again, it is my understanding from conferring with them that that is the national standard for not only wood and biomass, but also oil and gas, but I will get back to the member opposite if that indeed is not the case and have those words removed from the checklist that is on the website. I would like to take the opportunity to confirm that with officials before we do that and I will get a response back to the member opposite either way once I attain that from officials and get an explanation to her.

With respect to the program that the member opposite mentioned, again, it was part of one of the partnerships, I believe, that Yukon Housing Corporation has done. It's a national program that was brought forward and, again, as outlined in our strategic plan, we're continually seeking partnerships with not only other governments, such as in this case, I believe the federal government or a federal program, but other NGOs and First Nations, municipal governments and the private sector.

We'll continue to look for opportunities to take innovative approaches such as the one that was experienced in Dawson City with that award-winning build that was led by the Tr'ondëk Hwëch'in First Nation. I will make that commitment: to continue to seek out those types of partnerships.

Ms. White: Accessing the website, we can get the Yukon Housing Corporation draft strategic plan for the next five years, from 2013 to 2018, and in the vision statement it says, "Our vision is for a healthy, well maintained and attainable housing environment in Yukon that offers a range of housing choices to meet the needs of all Yukoners."

My next question: If there is a tenant in a Yukon Housing Corporation space who has a concern about the safety regarding the unit, how does the Housing Corporation address that complaint that is raised?

Hon. Mr. Kent: What we would encourage the tenant to do is contact their tenant relations officer and to start the process that way. Often tenants will contact someone else, perhaps their MLA or that type of thing. I know I've received a number of inquiries from members opposite with respect to a variety of issues with respect to individual tenant situations.

Again, if they feel that there are some safety issues with their units, I would encourage them to contact the tenant relations officer. It will work its way through the system, so that we can address it with our capital maintenance personnel. Again, many individuals — especially the elderly — are more comfortable talking perhaps to someone they trust, such as their MLA. If they do that, I'll just ask MLAs to get the information to me, and I will begin the casework with the Housing Corpora-

tion, so that we can address those situations as expeditiously as possible.

Ms. White: The question I asked is this: What happens once they make an official complaint with Yukon Housing Corporation? It's not about going through the MLA. It's about actually making a complaint to a tenant relations officer. So once a complaint is made about a safety issue, how long before that tenant hears back? What's the process once the process is started? Is there an acceptable amount of time for it being dealt with? Is there an unacceptable amount of time? How do someone's concerns about the safety of their unit get dealt with?

Hon. Mr. Kent: It's my understanding that officials, when they receive a complaint, will prioritize that complaint versus other things. Obviously, we have a limited number of resources, as does any one department in the government, but we try to get back in as timely a manner as possible, depending, again, on what the situation is and weighing that against other priorities that exist in other units throughout the area that the individual or community is responsible for.

Ms. White: If a tenant were to make a complaint about a furnace, would that be considered a serious complaint, and would it be dealt with sooner than a complaint about a drafty window or anything like that? What kind of timeline would it take for that situation to be resolved?

Hon. Mr. Kent: Again, rather than address a hypothetical — I guess it would just depend. Obviously, we try to get to things in as timely a manner as possible. I certainly don't want to speak to operational issues or hypotheticals.

Again, once the Housing Corporation receives a complaint, they would prioritize it and deal with it in as timely a manner as possible.

Ms. White: When the corporation is dealing with a that complaint, do they contact the tenant so the tenant realizes that something is happening behind the scenes, or is the tenant left wondering what's going on behind closed doors?

Hon. Mr. Kent: That would be the normal practice, but if the member opposite has a situation that has arisen or has been brought to her attention that differs, we'd certainly be able to deal with that as well. Again, normal practice would be to contact the tenant and begin the work. If there's a situation that the member opposite is aware of where this has not taken place, I'd certainly welcome a letter from her so that we can address it — or have the Housing Corporation address that internally.

Ms. White: I think I've probably actually written letters about some situations before.

In the same vein of a complaint being brought forward by a tenant to the tenant relations officer — sometimes multiple complaints about similar issues, including disruptions or smoking within Yukon Housing Corporation buildings — there have been concerns brought forward by tenants that, after official complaints have been lodged, they haven't heard back from the corporation and I'm wondering if there is a standard practice or procedure within the corporation to make sure that once a tenant has filed a complaint that they actually hear back from the corporation in a timely fashion.

Hon. Mr. Kent: I'm not sure if there is a standard, but it would be something that we would be willing to take a look at implementing as we work through the new five-year strategic plan that we brought forward last year.

Ms. White: I thank the minister for that answer.

The minister touched on this a bit, but I'm just going to give him the opportunity while he has it pulled out of his speaking notes. When we were talking during debate on oil-fired appliances, I asked a question about furnace repair, and I was told there was the ability to access \$35,000. The minister has already answered this within his preamble, but I would just like to pull this one out so it's easier to reference.

If a citizen has already accessed the home repair money — the maximum of \$35,000 for other home renovations — can he please explain to me the money that would be available for heating systems — for safety and for upgrading that would or could be done?

Hon. Mr. Kent: Again, when there are special circumstances or individual circumstances that exist, we could certainly take a look at that, but as I mentioned in my opening remarks, aside from the money available under the home repair program, there is also the home repair enhancement program that could be made available. Again, components — that program offers eligible homeowners the opportunity to borrow money at interest rates comparable to bank rates to address building components in need of repair, energy efficiency upgrades, basic water and sewer facilities, overcrowding and accessibility issues.

Two options — that enhancement program could be made available, but in special circumstances, again, we certainly want to make sure that Yukoners are safe in their homes, so we would take a look at it on a case-by-case basis when it comes especially to repairing or replacing such a vital component as the heating system.

Ms. White: I thank the minister for his answer and for repeating himself.

When one is accessing money for a furnace upgrade or replacement, can one type of heating appliance be replaced with another? For example, you are starting with an oil-fired appliance and you would like to move to an electric furnace. When accessing that money, are you able to transfer it from one appliance type to another, or does it have to be the same to the same?

Hon. Mr. Kent: My understanding is that there is nothing restricting people from switching from one type of heating appliance to a different one. Again, the home repair program itself offers all Yukoners the opportunity to borrow money at low interest rates to address building components in need of repair, energy efficiency upgrades, overcrowding or accessibility issues. Our budgetary allocation for this line item is \$2.5 million.

As I mentioned in my opening remarks, there are the energy management loans as well, which encourage the development and delivery of residential energy management programs to our citizens; it offers low-interest financing to homeowners to install alternate heating in their homes, including electrical power systems that harness renewable energy.

It can also be a heating and cooling system that does not use fossil fuel for combustion, such as heat pumps and heat exchangers. So, again, that's another opportunity for Yukoners to essentially switch what they are using for their heat source. I hope that answers the member opposite's question.

Ms. White: Thanks to the minister — that certainly does.

We have lots of discussions about statistics in the Yukon around things like median rents and — just a declaration that I'm not a great Googler and I have just Googled this — under the Yukon Bureau of Statistics — sadly, from March 11, but I think it's going to illustrate my point. It just talks about median rents. In downtown, it was \$750; in Granger it was \$775; in Hillcrest it was \$675; and it goes on with Watson Lake at \$775 and things like that. I guess my question is that, knowing that some seniors are only in Yukon Housing Corporation buildings because they need an accessible building — so they lived in homes with stairs or did not have elevator access or things like that — and it's based on 25 percent of their incomes. Some of them pay very high rates — substantially higher than the median rates. I can cite an example from before July of last year, where it was close to \$1,300 a month. Have caps ever been discussed for senior-specific housing so that they pay closer to what "median" rent is, as opposed to 25 percent of their income?

Hon. Mr. Kent: With respect to the rental market, we actually have two individuals who are now finalizing a rental market study. One of those individuals is the same contractor we used to develop our down payment assistance program and the other is a local economist. We hope to have a better handle on that rental market as it exists in Whitehorse versus how it exists in communities, such as Dawson City or Carcross and other communities throughout the territory.

When it comes to a seniors rent cap, it has been discussed. I know the board of directors is reviewing it right now. Obviously, there was an announcement made by a previous minister about a seniors rent cap, but I think the one thing we want to assure Yukoners of, especially those who are in need of this type of housing, is that it will be there for them; that those seniors who are on low income and want to stay in their communities or need to — based on a lower income — move into those types of residences here in Whitehorse.

So I know it's something that the board of directors is looking at and they're struggling with, because we want to ensure these units are made available to those who are most in need. Many of our seniors are very well off and perhaps don't need this type of housing. Especially, I guess, it's more so in the Whitehorse area that there are senior-specific housing developments, such as the number of condos that have been built recently. There is even a development geared specifically to seniors in behind where my mother lives in the member's riding. So we're hopeful that those seniors who are more affluent and have the ability will seek those options, rather than getting into a rent-geared-to-income situation.

Again, I know the board is looking at this — just coming out of the announcement made by one of my predecessors — but they're looking at it from that boarder approach where we

want to make sure that the seniors housing that we're developing is serving the seniors we need to serve to allow them to stay in their communities and live independently.

Ms. White: The minister was referring to Normandy Estates. That is purchasable housing as opposed to rental housing. I was wondering if the corporation has been approached about developing any rental-specific projects that are not Yukon Housing Corporation served, but will serve a population of aging folks.

I guess the one problem or concern that I can see moving forward with seniors is that a senior isn't likely to move around much. Once they get into a unit they are there, so although there might be an aging population coming up, that is not a population that is going to get much smaller. In many cases I am informed by the seniors in my riding that they're not leaving until they leave on a stretcher and they're not coming back, so they're pretty adamant that they're not looking to buy a home at that time. Are there any projects or is there an appetite to put out a call for proposals or interest in developing a rental for those seniors who are not of low income? I'll leave it like that to start.

Hon. Mr. Kent: Again, with respect to our strategic plan, one of the aspects that we want to look at is facilitating access to more attainable and sustainable home ownership. The second goal is supporting initiatives to increase the availability and affordability of rental accommodation in the Yukon.

With respect to a specific project, members will know that the local branch of the Royal Canadian Legion has received community development fund money to look into an Abbeyfield-type building that is more of supportive living. There have been some indications from representatives of that group that they may be looking at some mixed-market units in there as well. So those are the very preliminary discussions that have taken place, but again, they're working their way through their initial study, thanks to support from the community development fund in helping them.

So that's the only project that I'm aware of. We haven't issued a request for proposals for anyone at this time, but we're focused on building those affordable rental units that are rent-g geared-to-income specifically for seniors, again mentioning the Alexander Street project. I understand the asbestos remediation is underway right now, to be followed by demolition and then we expect a tender to go out soon.

The design is complete for that project, again with assistance from the accessibility advisory committee and some representatives of the Yukon Council on Aging. I believe an existing tenant in one of our seniors units also sat on that committee. We are very much appreciative of their work.

That's what we are doing internally to address the seniors rental market. I spoke also to the Royal Canadian Legion plan they are currently developing.

Ms. White: This is going back to the housing geared to income. Some of the problems that I've heard of — and this is just in terms of growing up in the Yukon and young mothers who have gotten into Yukon Housing Corporation housing and have been very grateful for the opportunity — it's a struggle to get out of Yukon Housing Corporation, because there is not an

earning maximum. If someone works a full-time job and, because they want to try to save money to get out of Yukon Housing Corporation, they take on a second part-time job, the amount of money that is collected is 25 percent of the whole, which means that they can pay very high rates of rent, although they are trying to save up to get out of Yukon Housing, which is very difficult to do.

I was wondering if the corporation has looked at examples of that and how they might be able to assist — whether it was through the down payment assistance program, through a savings program or even just being able to have conversations with people and trying to help them get out of Yukon Housing Corporation housing. The question doesn't apply to much to seniors, because they are pretty much there until they're not there any more, but it is for younger people who have the ability to be more mobile and to move up and out of Yukon Housing Corporation housing. I was wondering how the corporation was addressing those problems.

Hon. Mr. Kent: One of our platform commitments, which was also in my mandate letter, I believe, was to help those who are currently living in social housing get out of the social housing, and move along the housing continuum to the point where they are able to own their own homes. Again, the actual mandate item is to explore options to assist Yukoners who are in social housing to own their own homes.

With the five-year strategic plan, that directs the corporation to facilitate access to more attainable and sustainable home ownership opportunities, including exploring options to assist Yukoners who are in social housing to own their own homes. Corporation staff is currently working on the development of a comprehensive pre- and post-home purchase, financial literacy, and mentoring training program for first-time home purchasers. We had intended to roll this program out — the home ownership preparedness program, is what I believe it's called. We had intended to roll that out with the down payment assistance program, but it wasn't quite ready. We want to ensure that we got that down payment assistance program out the door. As I mentioned, to qualify for that you do have to spend some time speaking with one of our lenders to get the sense of what the responsibilities of home ownership are beyond just making the monthly, weekly or twice monthly mortgage payments.

Again, the down payment assistance program may help the individuals the member opposite is speaking about.

It may not, but, again, I think it's important to know that this is the start of how we want to address housing initiatives. Much will emerge during the development of the housing action plan to assist those types of individuals, but we certainly don't want to wait until the end of the housing action plan. If something comes forward in the meantime that will help those individuals out, we want to be able to implement aspects of the housing action plan as they're developed along the timeline for completion. If there is something that is brought forward that would help those individuals — and, of course, applying the tenets of fairness and equity so that it's fair for everyone — we will certainly address that when those types of programs emerge.

Mr. Silver: Thank you, Madam Chair, and thanks to the officials for showing up here today and to the minister for his answers.

I have three questions. The first one: The request for expressions of interest — staff housing in Dawson City. The deadline for this was April 30. I just want to know how many expressions were received and what are the next steps moving forward?

Hon. Mr. Kent: There were five expressions of interest received on that.

Just to build on what the member opposite said, we did put out an expression of interest for the private sector, or NGOs, or anyone interested, to provide staff housing in Dawson City. Obviously that is our biggest concern in Dawson City. We have about 10 individuals on the wait-list. The figures I have may be a couple of months old, but staff housing is where we saw a real need in Dawson City.

We put that expression of interest out. There were, as I said, five responses. The board of directors of the Housing Corporation is reviewing those expressions of interest and will make a recommendation based on their review to me, as minister. I will be able to take that recommendation forward to colleagues once their work is finished.

Mr. Silver: I appreciate the answer from the minister. This kind of goes right into the next question. On an update on the units that are being renovated for the Dawson health care workers, how many are currently finished, and could the minister confirm whether or not a certain number of these are going to be made available for other tenants on a short-term basis? We have been hearing rumours to that extent. If so, could the minister speak as to how it is determined who gets these temporary housing units? Because it does bring up the larger question of other professionals currently in the town who are couch-surfing — a couple of teachers.

Also, there is going to be a new need in the community for housing for teachers, as there are a few temporary contracts that are coming up next year, and a full-time, permanent position, as well. Once again, looking forward, there are going to be more professionals in the education field looking for housing, moving forward.

Hon. Mr. Kent: As far as I know — and I'll get back to the member opposite if this isn't correct — all the units are finished. I believe when we had witnesses here yesterday from the Hospital Corporation, they did confirm — and I can re-confirm — that they will be allowing those units that are set aside for their staff to be used on a short-term basis. By short-term, I think that's the end of August, which is very short term. Again, it speaks to when they're anticipating needing those units for their staff up there.

Again, with respect to the overall staff housing — another task that the Yukon Housing Corporation Board of Directors is completing is a review of the staff housing policies.

Of course, there is increasing economic activity and the resulting increase in population growth has placed more demand on housing stock outside of Whitehorse, including staff housing. This demand is high in several rural communities, and the government is seeking housing options for new government

employees, who have been or who soon will be hired in our rural communities. So, along with key Yukon government departments — of course, I can speak to the involvement of the Department of Education with respect to the educators. The member opposite mentioned that they are very involved.

The corporation is undertaking a comprehensive review of current and future staff housing needs. I have spoken to the chair of the board as recently as a couple of meetings ago about progress on this. I certainly reiterated to her at the time that this has to be a priority. I am not sure if it was identified in the protocol agreement. I can get back to the member opposite on that. But, being mindful of the time, I know the member has perhaps one more question that I would like him to be able to get in.

Mr. Silver: I thank the minister for the answer.

A letter was sent to the minister on behalf of the Canadian prenatal nutrition program and the Child Development Centre in Dawson City. Here we are back in a similar situation we found ourselves in last year. They are looking for a permanent home again. I did raise this issue a year ago, and we are right back in the same spot.

I just want the minister to maybe comment on that letter or, if he's working on this issue — last year when I did bring this up, and I brought it up in many different mediums including Question Period, at that time the government was assuring me that they were looking into the matter. At that time, they did find a temporary solution, so now we're back where we were, again asking for a permanent solution for housing for the Canada prenatal nutrition program and the Child Development Centre.

Hon. Mr. Kent: Just to clarify, it was the organizations that found the solution. The member opposite has indicated that that's the case. I know I've been speaking with some of the individuals involved with these organizations and, unfortunately, we don't have any housing units available in Dawson City that would meet their requirements. As mentioned, we have 10 individuals who are on the wait-list for staff housing there. I think there are a couple of individuals — two or three — who are on the wait-list for social housing that we have in Dawson City as well. I have discussed this with the Minister of Health and Social Services and we're trying to find a solution for these organizations. Unfortunately, I don't have anything available in the Yukon Housing Corporation stock in Dawson City to accommodate this. Obviously there are pressures for actual housing there for staff and social housing that have to take priority for the corporation in the community of Dawson City and in all of our communities.

With that, and seeing the time, Madam Chair, I move that you report progress.

Chair: It has been moved by Mr. Kent that the Chair report progress.

Motion agreed to

Chair: Pursuant to Committee of the Whole Motion No. 4, adopted earlier today, Committee of the Whole will receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation. In order to allow the witnesses

to take their places in the Chamber, Committee of the Whole will now recess and reconvene at 3:30 p.m.

Recess

Chair: Committee of the Whole will now come to order.

Appearance of witnesses

Chair: Pursuant to Committee of the Whole Motion No. 4 adopted on this day, Committee of the Whole will now receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation. I would ask all members to remember to refer their remarks through the Chair when addressing the witnesses and I would also ask the witnesses to refer their answers through the Chair when they are responding to members of the Committee.

It's also very important that the guests identify who will be responding to the questions so that the Chair can recognize you and have your microphone turned on.

Mr. Cathers, I believe you will be introducing the witnesses.

Witnesses introduced

Hon. Mr. Cathers: It gives me great pleasure to welcome witnesses from the Yukon Development Corporation and the Yukon Energy Corporation here this afternoon. I will briefly introduce the witnesses here. Joanne Fairlie is the relatively new chair of the Yukon Development Corporation. Joanne was appointed to the board of Yukon Development Corporation last year, elected vice-chair by the members of the board and took over from Ray Hayes when he gave notice of his retirement after 30 plus years of government service at the end of March. I'd like to thank Ray in this introduction for his years of service.

Joanne was previously Assistant Deputy Minister of Health Services, along with a number of other roles within Yukon government. Along with Joanne, Greg Komaromi is here in his capacity as president and chief executive officer of Yukon Development Corporation and not in his role as Deputy Minister of Energy, Mines and Resources. Questions related to Energy, Mines and Resources should be directed to the minister.

Piers McDonald requires no introduction to this House. He has served not only as chair of Yukon Energy Corporation, but also as Premier and as chair of the Canada Winter Games 2007 Host Society, and is also a recipient of the Order of Canada. Dave Morrison is the president and chief executive officer of Yukon Energy Corporation.

Chair: Would any of the witnesses like to make opening remarks?

Ms. Fairlie: Madam Chair, my remarks are quite short. It is our pleasure to appear this afternoon to represent the Yukon Development Corporation and the Yukon Energy Corporation. The Yukon Development Corporation and its subsidiary, the Yukon Energy Corporation, are responsible for providing Yukoners with safe, reliable, cost-effective electrical power both now and for the future.

The Yukon Development Corporation is the link between the Yukon government and Yukon Energy Corporation. Both Yukon Development Corporation and Yukon Energy Corporation are key instruments of the government's energy policy. The Yukon Development Corporation is responsible for supporting government in the achievement of its energy policy directives and for assisting, as needed, with the development of those objectives. As the sole shareholder of Yukon Energy Corporation, Yukon Development Corporation is ultimately responsible for ensuring its subsidiary fulfills its responsibilities accountably, efficiently and cost-effectively. Yukon Energy Corporation plans, generates, transmits and distributes a continuing and adequate supply of cost-effective, sustainable, clean and reliable energy for customers in the Yukon. The Yukon Energy Corporation has a presentation that provides an update of their activities, and I'll turn it over to Mr. McDonald and Mr. Morrison. Thank you.

Mr. McDonald: Thank you and good afternoon, Madam Chair. I would like to thank the Assembly for allowing us to spend some time outlining the goals of the corporation and answering questions relating to our strategic directions and operational activities. I have a few opening remarks to make.

The year of 2012 was, and the coming couple of years promise to be, very challenging for the corporation as we meet Yukon people's expectations for reliable, affordable, flexible and environmentally responsible energy supply now and in the future. We have just concluded a very comprehensive public review process overseen by the Yukon Utilities Board resulting from our recent rate application. We have also renewed our comprehensive resource plan following and concurrent with an extensive public planning process to ensure that we make the best use of our resources and ensure that Yukon's energy supplies meet the expectations of the government and the public alike.

As we'll explain through the context of the answers to the questions that we expect, we do have a number of unique challenges to face as a stand-alone supply and transmission system unconnected to the North American grid. The ratepayers of this system, with the support of the government, must meet all on its own the risks of the stand-alone system with multiple entry points for energy supply. The technical fragilities inherent in the system, coupled with a low tolerance for projects with high financial risks, make the planning for growth significantly difficult.

At the same time, the corporation has made much needed investment over the last five years and it continues in the aging infrastructure, upon which we have long depended. We have also determined, in our immediate future, that we must replace our diesel generators used to back up our system, one that is overwhelmingly hydro-based. These generators, some of which have passed their useful lives, must be replaced so that we have a reliable and cost-effective option when our hydro system fails or is tapped beyond capacity in very cold weather. While a formal decision has yet to be made, we are favouring an LNG option to meet our needs in this area.

Simultaneously, we have undertaken an extensive public discussion to explore the viability of various forms of new en-

ergy supply to meet various demand growths in areas. Our intention is to identify projects, whether they are hydro enhancements, new hydro projects, wind farms, et cetera, that can meet our requirements in the future and to bring the most promising to shelf-ready status. We have held many public meetings and workshops in this effort to not only engage the wisdom of people around the territory, together with industry experts, but also to hopefully build consensus around the most likely alternatives to meet our needs. Any new projects, of course, must receive the support of the government, but must also be acceptable to the Yukon Utilities Board, which examines everything we do in great detail.

In the interest of giving as much time for questions, I'll end it there, but there will be much more to say.

Mr. Tredger: I thank the witnesses for appearing today. Energy is a hot topic in the territory and the public is engaged. It's interesting to note that the energy strategy consultations of 2009 — if you look at the number of people who were involved in commenting, which was 75, a mere 30 provided written comments. I think today it would be safe to say there are thousands of Yukoners who are tuned into energy issues, with the Whitehorse Trough disposition process, the discussion of whether to permit fracking and oil and gas, the number of charettes that have been staged by Yukon Energy Corporation over the past couple of years, and the concern over climate change. This is good; the public is engaged. We have serious energy choices to make and major directions require the social licence and involvement of the public to proceed.

This is my first opportunity as the Official Opposition critic for the Yukon Development Corporation and the Yukon Energy Corporation to ask the witnesses questions.

I understand they appear in the Legislative Assembly at the request of the minister. It has been over two years. Do the witnesses know of anything from the corporation's perspective that prevented your participation before the Members of the Legislative Assembly at an earlier date?

Mr. McDonald: Speaking for the Yukon Energy Corporation, we have agreed that we would respond to an invitation to meet with the Legislative Assembly at any point. When we are requested by the minister to attend the Legislature, we attend.

Mr. Tredger: I thank the member for that answer.

I want to ask the witnesses about the shareholder letter that gives both the development and energy direction from the minister. It also shows that between April 1, 2012 and February 2013, there was no letter of expectations. I read in *Hansard* April 12, 2010 from the president of Yukon Energy Corporation that there is a requirement to file letters of expectations annually by the end of March. Why was there this gap? Are the corporations responsible for this gap and what is the basis in law or regulation about this requirement to file by the end of March?

Hon. Mr. Cathers: The member should know those questions are better directed to the minister and, in fact, the letter of expectation is something that is not strictly required.

The protocol is done in keeping with the act and is done on a regular basis between the minister and the chair of Yukon

Development Corporation. The member should know those are policy questions and not to put witnesses on the spot.

Chair's statement

Chair: The witnesses certainly may answer the question, if they feel that it's in order for them to do so, being mindful that if some questions are ministerial in nature, they should be left with the minister.

Ms. Fairlie: The minister answered that question adequately for the present time. Thank you.

Mr. Tredger: It appears that there is considerable change from the previous letter, which expired March 31, 2012 and was signed on behalf of the Government of Yukon by the previous minister. The minister appears to be exercising more control over press releases and communications and decisions to fund studies, et cetera. It also appears from the current letter of service that these are government's performance expectations of the corporation.

It was signed first by the minister, then by Yukon Development Corporation. In the past, shareholder letters spoke of shared understanding. The letter was prepared after consultation between the minister and Yukon Development Corporation, and it was signed first by Yukon Development Corporation and then by the minister. The minister has said publicly that government needs to work through a closer working relationship with the utility to effectively manage Yukon's energy assets to take advantage of opportunities and it would appear that the new shareholder letter moves in this direction.

Can the witnesses comment on the changes in the current letter from years past? Is it correct to say that there are changes and that the changes increase ministerial control or responsibility?

Some Hon. Member: (Inaudible)

Point of order

Chair: Mr. Cathers, on a point of order.

Hon. Mr. Cathers: If the member would, in fact, read the protocol, he will see that policy is the responsibility of the minister and should be well aware that the act requires the minister to negotiate an annual protocol with the board of directors. He has already had this explained to him before. Policy questions should be directed to the minister. The member should perhaps try to come up with some questions that are relevant to the operations of the corporation.

Chair's ruling

Chair: Thank you. I think I will leave it to the witnesses, again, with my previous statement regarding things ministerial being left at that level.

If the members of the corporation wish to make any statement in this regard, they may.

Ms. Fairlie: We feel that the question has been adequately responded to by the minister.

Mr. Tredger: One further question: What are the practical implications of these changes on an operational level? How will these changes impact on the performance of the cor-

porations and their unique status and business corporation model? Does this increased ministerial control or responsibility meet statutory obligations under the *Business Corporations Act* and the *Yukon Development Corporation Act* or other pieces of legislation or regulations?

Chair's statement

Chair: Mr. Tredger, I believe this line of questioning is falling into the same realm as the previous two. I am wondering if you have any direct questions for the guests with respect to the operation of the two corporations.

Mr. Tredger: Thank you, Madam Chair. Can the witnesses describe the relationship between the minister and the corporation in preparing a general rate application?

How does the government establish its expectations of the general rate application?

Mr. McDonald: The deliberations begin within the corporation itself as to establishing the financial capacity of the corporation to do its job as it sees its job. Essentially, the corporation goes through a normal budgeting process — single year, multi-year budgeting process — projects its revenues and projects its expenditure requirements and determines whether its ongoing requirements are going to be sufficiently met within the existing rate structure. If it feels that changes must be made and an application must be made to the Yukon Utilities Board, it will go through a very detailed review of its own needs and ensure that all alternatives are exhausted in terms of making financial room to get the core business done before it resolves in its own mind that it needs to proceed with the rate application.

It takes that information, once that analysis is done and duly approved by its own board, to the ministry for their consideration and notification. The analysis done by the corporation is reviewed by both the Development Corporation Board and by the ministry as well. It is up to the Energy Corporation itself to make the application before the Yukon Utilities Board.

Mr. Tredger: I would like to file or table and ask a page to deliver a document to the witnesses so that they can take a look at it. I want to table an electrical bill from the MLA for Takhini-Kopper King.

Chair: We'll certainly look at this document for information purposes.

Mr. Tredger: Can one of the witnesses explain the highlighted item, what it is and provide a clear basic explanation as to why it appears on this person's Yukon Electrical bill?

Mr. Morrison: It's the Yukon interim electrical rebate; it's a program that's funded by the Yukon government. The government provides the funds for the program to the Yukon Development Corporation. The two utilities invoice the Yukon Development Corporation for the cost of the program, calculated dependent — I don't have all the details in my head, but it's use-dependent, so it depends on how many kilowatt hours a month you use. There's a calculation made. In this case it's \$13.52. All of those are added up. The Yukon Development Corporation is billed and that money draws down on a fund created by the Yukon government.

Mr. Tredger: I thank the witness for his answer.

There have been a lot of words exchanged in this House about the interim electrical rebate and that this is the result of the Faro mine closure, which left the ratepayers on the hook and taxpayers stepped up to pick up some of the bill.

When was the shortfall brought on by the Faro mine closure essentially retired by ratepayers?

Mr. Morrison: The Faro mine closure resulted in significant revenue reduction on behalf of the corporation. The Yukon has a single rate zone, so the costs of the rate zone in total were being covered by all of the customers, plus the Faro mine. The Faro mine happened to be 40 percent of the revenue, so when the Faro mine went away, 40 percent of the revenue went away. The rebate had several different iterations over time. It has looked different at different points in time and in different years, and it has had different quanta, and it has been paid for by different people over time — the Yukon government, Yukon Development Corporation, to name the two. Once the rebate is in the system, you can't find a way now to say that certain assets were retired, and therefore the contribution that was being made initially should go away. It's a rebate program that has been put in place and now sits there on top of — or, I guess, on the bottom of rates, and it will not go away until government policy changes because it is in the form of an order-in-council and that order-in-council outlines this policy and this program.

Mr. Tredger: Can the witnesses describe what is meant by the term "rationalization"? I know the issue came up years ago and whether the corporations would be allowed to pursue such arrangements by the shareholder letter.

Mr. Morrison: Last time I heard the word "rationalization" I was ducking, so I think I'm going to duck again. I haven't heard that word being used in any capacity in the last few years, so I'm — and I would hate to try to define it out of context.

Mr. Tredger: Thank you, Madam Chair, and thank you to the witness.

In 2009, the Yukon Utilities Board ordered Yukon Energy Corporation to plan and implement demand-side management. In February 2011, the last time the Yukon Energy Corporation appeared before the Legislature, the witness stated they realized the importance of demand-side management and stated they were very optimistic that they will be able to demonstrate to people once the program was up and running full steam ahead.

Many jurisdictions have set targets, some as high as 20-percent reduction in greenhouse gas emissions and energy use reduction. This is often referred to as a "low-hanging fruit". As for the payback time, it is very quick.

Could the witness outline the key elements of their demand-side management plan, including expectations, benchmarks and targets, as well as noting any substantial achievements?

Mr. Morrison: I would be happy to. I think I can answer part of the question that was put to me. I can't off the top of my head today provide the benchmarks and measurements, because we have not had the plan approved and we don't have measurement systems in place as yet. The plan itself — when

we have established a program and developed a plan in partnership with Yukon Electrical Company. The actual detailed plan is being filed sometime in the next week or so as part of a Yukon Electrical rate application. We will jointly defend that plan in front of the Yukon Utilities Board. I can certainly cite some highlights of the plan, if the member would like those. I just can't answer all of the question.

The residential program has four main elements at the present time. It's an LED lighting and automotive heater, timer rebates program where the utilities will pay a flat rate amount of money per unit to shoppers as they purchase these timers for block heaters, car warmers, battery blankets, LED lamps, fixtures, et cetera. There is a low-cost energy-efficient products section of the program and we'll be providing information on products that will help users and ratepayers generate electrical savings.

Just as an example, we will provide information on certain LED lamps that provide energy savings, low-flow shower heads, faucet aerators, et cetera. There is a cold climate heat pumps and ground-source heat pumps section of the program. I think those are fairly straightforward. There's a major public engagement piece because energy conservation is primarily about behaviour and changing behaviours. Certainly we can provide tools that will help people change their behaviours, but it is about changing behaviours.

We are working very closely with the Department of Education to try to get what we call an "energy dashboard program" into schools later in the fall. Hopefully we'll be able to do that this year. The commercial program has five elements: lighting redesign, high-efficiency refrigeration incentives, Energy Star computers incentive, new construction incentive and an engagement training and communications portion of the program.

Mr. Tredger: I thank the witness for his comments.

One of the goals of demand-side management is to reduce fossil fuel consumption. In Yukon, diesel is consumed in remote communities and during peak hours, especially during the cold winter months. One of the benefits of demand-side management from a systemic point of view is to reduce the loads during peak hours. What is being done to increase off-peak usage through load-shifting systemic adjustments of use during peak hours so we can shift the loads from when the demand is the greatest to times of less demand?

Mr. Morrison: A significant part of the demand-side management program is trying to get public education and tools to get consumers — ratepayers — to change their behaviour, as I mentioned in my earlier answer. A big part of that behaviour change is utilizing things like your washer and dryer — just to use as an example in a household — instead of at 5:00 when we have peak energy usage — in that 5:00 to 6:00 hour-long period — to use it later on at night or set oven timers and use those kinds of types of behaviour changes to manage that load and get it down.

One of the deficits that we suffer from is that we don't have a customer base or grid base that has smart meters. So trying to look at time-of-use rates to be able to use a lot of the tools that are available in other jurisdictions to incent people at

those different times is much more difficult because we don't have a smart meter system in place. Now, there are things that we can do. We're certainly working with our colleagues at Yukon Electrical to make sure that this demand-side management or energy conservation program is effective.

We have measurement tools that are part of the plan. We will measure savings; we will measure reductions, but it's an evolutionary process. It takes time, and we won't see a huge savings at the very beginnings of the program; we'll see them after a few years when the program has been out and people are taking advantage of the various incentives that are there, and we're able to educate people on their energy use. We agree that it is a priority with both utilities. We'd like to get those energy savings, instead of spending money on new energy generation.

Mr. Tredger: Much of the electricity used in the Yukon is through heating, and Yukon Energy Corporation has produced a very nice chart that we can watch as the usage and the weather and the production coincide. I think there has been some education done already.

Has there been an analysis of the cost of going to smart meters or the potential to begin to ready Yukoners for the possibilities of a dual rate? Further to that, what would you think of the idea of using rate subsidies to apply to off-peak hours — that is, making electricity cheaper when it is more available so that the customers could shift their energy demand to off-peak hours?

How would you go about implementing such a program? Would you work with your partners at Yukon Energy Corporation to work on a two-tiered rate system?

Mr. Morrison: The last time the question of smart meters was before the Yukon Utilities Board, they did not permit the investment that Yukon Electrical asked to be put into rates to implement a smart meter program. Now, remember that the Yukon Utilities Board is an economic regulator and, you know, the costs of putting the program in, I believe, at the time, were quite expensive and they did not approve it, so Yukon Electrical didn't go ahead with the smart meter program and we have not — based on that experience — attempted to institute a smart meter program, primarily because we have 1,700 customers and Yukon Electrical has 17,000 customers. So it really makes much more sense that a smart meter program comes through the Yukon Electrical system.

The time-of-use rates are interesting. We're certainly not averse to something like that; it's trying to find a way to measure them and at the moment, we have a very standard meter system in the territory. Am I amenable to talking to our colleagues about it? I am, but I think it really needs a much more sophisticated system than we have at the present time.

Mr. Tredger: Thanks again to the witness.

Power is most needed in winter just when hydro is at its lowest. We've been reading about a promising geothermal study project currently underway in Whistle Bend, which looks at storing heat and energy underground in the summer when there is an excess of solar energy and then using pumps to facilitate district heating.

My question for the witnesses: Did the City of Whitehorse ever approach YEC to partner on this project? Why would

Yukon Electrical under ATCO be partnering with the City of Whitehorse and not YEC?

Mr. Morrison: We talked to the city about an entirely different kind of district heating program, but it was felt that the timing of Whistle Bend wasn't conducive to when we came into the discussion.

This is a very small test program, not a geothermal program to create electrical energy. It's a heat pump type of a program that will create some district heat.

The city should talk to Yukon Electrical about it because this is Yukon Electrical's service area from an electrical point of view and the City of Whitehorse is one of their largest customers in the city. There are some synergies there and that makes some sense. We have completed a district energy study that we looked at as a city-wide project to look at whether or not district energy within the City of Whitehorse was a feasible project. We haven't taken it anywhere; we just got the study report; we've been fairly well occupied doing GRA and other energy-planning initiatives, but it's something that in the coming months we'll talk to our board about and see whether or not there's some interest in going further with that initiative.

Mr. Tredger: In the Marbeck studies, you recognize that space heating will become a dominant source of new electrical load on the grid.

Is Yukon Energy Corporation looking at space heating potentially — as we say — being the fastest growing demand on our electrical grid? We're building new housing — condominiums. Have we looked at incentivizing the use of new technologies, like electric thermal storage, which could be implemented to heat large institutional buildings and many of the new residential buildings and potentially make use of off-peak electricity, thereby readying our residential requirements and industrial requirements for the new world when we are very close to exceeding our maximum during peak hours?

Mr. Morrison: Thank you for the question. One of the most difficult jobs we have at Yukon Energy Corporation is trying to forecast energy usage and energy requirements. It changes — and it has dramatically changed, particularly in the last five or six years, but certainly over the last 10-year period. We struggle between what does a growing and booming economy do to electrical consumption, and new people entering the territory, and new subdivisions being built. There has definitely been a radical change within the territory to electric heat as a primary heat source. That is a change that has happened, maybe gradually six or seven years ago, but in the last four or five years, very dramatically.

You're correct — a baseline study that we used to develop the baseline for our demand-side management program clearly indicates that electric heat is a very significant source of energy consumption in the territory today, and I think, anecdotally, we all know that. We see that because all of the large buildings that are being built — every last one of the condo unit buildings and now new office buildings have electric heat.

I have no realm or methodology or way to deal with people on their individual buildings. First — within the City of Whitehorse, particularly — they're Yukon Electrical customers, and they're not our customers. So we certainly spend a lot of time

with our colleagues at Yukon Electrical trying to determine how much loads are growing, where this usage is coming from, how we concentrate on these new opportunities and make sure that we've got enough capacity on the grid to service those loads.

There are a lot of different individual things that people could do to reduce and conserve energy and get off peak. People could put solar panels on their houses; people could go to more insulation and think more about using their energy at different peak times as we talked about earlier.

But as a utility, without significant incentive programs, we're not able to do things like getting them to change their heating systems. People are putting in electrical heating systems because they're less costly than putting in diesel fuel-fired systems, particularly when you're building multi-residential buildings. The contractor has costs; the resale value of the units or the market value of the units — it all adds to that.

We don't have any way of saying what people can and can't do in terms of heating systems. We do know and we have been vocal about the fact that this increase in electrical consumption is causing us some concern as we try to forecast load growth because people are using more energy. It's not just for electric heat, but people are using more energy in their everyday houses as well. Yes, there are a lot of individual things people can do; there are not a lot of things we can do with individuals when it comes to their home heating issues.

Mr. Tredger: The move to electrical heat has potential and a lot of opportunity. It has the potential to reduce emissions and reduce the use of fossil fuels for space heating and, as such, part of Yukon Energy Corporation and Yukon Development Corporation is to reduce the use of fossil fuels. Has the Yukon Energy Corporation looked at or studied how other jurisdictions have moved to using off-peak times through electrical thermal storage or other new technologies that would facilitate that while allowing Yukon Energy Corporation to continue to produce the majority of their electricity via hydro or renewable sources?

Mr. Morrison: I think I'd just like to clarify a few things before I try to answer the main of the question. Ninety-nine plus percent of all the electrical energy that we consume as Yukoners within the Yukon Energy Corporation system is from renewable sources.

While we do have diesel on the margin and while we have a full backup of our electrical system in the form of diesel generators at the current time, there's not a lot of diesel used in the Yukon Energy Corporation system to generate electricity at the present time. I am not aware of other jurisdictions that use or have implemented — I'm going to miss the term that was used, but something about thermal storage — electrical thermal storage. I don't know how that's built into other jurisdictions in their conservation efforts. I'm not aware of utilities in Canada using it to any great extent. We have been given a paper on it. I think, to me, the difficulty is that it is individual houses and it's a significant capital cost and individual homeowners would have to pay that cost. It's not something that I'm widely aware of that is used in Canada.

Mr. Tredger: I thank the witness for his comments. Indeed we do produce most of our electricity through renewable sources and primarily through hydro, and that is a result of forward thinking some 40 odd years ago when the hydro system was envisioned and developed.

It's a legacy that we all benefit from to this day. My concern is that — as I mentioned earlier — as the graphs get closer and closer together, we're moving to a point where we must — or we should — be looking to find new renewable energy sources.

I know that the government has often mentioned hydro — as well as Yukon Development Corporation — and that one of the problems with hydro, of course, is the 10 to 15 years it takes to develop it. So the gist of my question was to look at ways that we could extend our usage, and one of the first ones that came to mind was the use of off-peak energy, because we are in the unique position where when we have energy, we have lots of it. When we have sunshine, we have lots of it; when we have water, we have lots of it; and when we don't is when we need a lot of space heating. I was looking to see if the Yukon Energy Corporation was looking at alternative ways to extend our use of renewables. I will be talking — or my colleague will be talking about wind a little bit later. I wanted to just talk a little bit more about hydro and the development of hydro.

We have watched as the demand for energy — specifically electricity — has increased over the last 10 years. Has the mandate changed in the last 10 years? As I mentioned, we are living with the legacy from the NCPC hydro and the abundant electricity forms a basis for Yukon. It took us 40 years to pay it off and, thanks to the forward-thinking leaders, I believe we have in the last few years paid off that initial investment.

Could the witness give us some idea as to the impediments to investment risk, or the investment risk that might impede the development of hydro? Given the 10 to 15 year time frame to bring on new hydro, at what point does the cost of not making a decision override the potential risks? Is there an increasing sense of urgency around the need to get developing with hydro? Finally, are there potential new hydro sites being considered and investigated for development, and at what stage are we with those?

Mr. Morrison: Thanks for the question.

As I mentioned earlier, a big part — and one of the most important things that we do is energy planning and trying to figure out what the loads are going to be and how they're going to grow into the future.

As Mr. McDonald said at the very beginning, we're an isolated grid; we're a small rate base, and we have had the experience of a Faro. I think Mr. McDonald still suffers from some of the repercussions of that because he was the guy who had to deal with it in the day. So we have learned lots of lessons over the last number of years.

I often say — when we're out talking about various options that we're looking at — that what is really important here is that we have to get it right. We can't make another Faro mistake. We've paid for that; we learned our lesson and we have to move on. We are — rightly, as you say — all benefiting today

from the legacy hydro that we had. Up until — time blurs with me — 2004 or 2005, when we were able to get — I guess it would be later than that. Five or six years ago, when we were able to get the Minto mine on the grid, we had a surplus of hydro energy in the system, but that meant the ratepayers were paying for more than what they were getting. We don't like being in that situation.

We have a long list of hydro projects that we've looked at, from big to small. There are all kinds of impediments. Some of them are social impediments, some of them are environmental, and some of them are cost. So for several years, we've been advancing two small storage projects that would do exactly some of the things you talked about earlier that would get us more capacity out of our existing plants in the winter when we need that additional capacity. One is the Marsh Lake storage option, and the other one is the Mayo Lake storage option. Both of those are going through a very comprehensive — not just environmental process, but a very comprehensive community consultation process. More than just consultation — I would say more of a community engagement process, where we're really trying to deal with all of the communities that are using those watersheds and how we deal with each of the issues that come in front of us.

We spend a lot of time — not as much, probably, in Mayo about the Mayo Lake piece, because it hasn't been as advanced as Marsh Lake, but we spent a lot of time with the communities of Marsh Lake, Tagish and Carcross working with community members. We now have a community advisory group that works with us, representing interests of the residents of those communities. They're great little projects.

They're great projects because they're cost effective. In the words of energy development, they're cheap. They're in the seven- or eight-cent-a-kilowatt-hour range, but they're small. They're seven or eight gigawatt hours for Marsh Lake and maybe four or five or six gigawatt hours for Mayo Lake. We're advancing those.

We've looked at and put aside — I wouldn't say discarded, but put aside — projects like Moon Lake, which is on the other side of Tutshi, and the Windy Arm project, which goes from Tutshi into Windy Arm, because they're good hydro projects but they don't have any transmission assets associated with them, so the cost then gets to a point where they're really difficult to justify on an economic basis. They're a little larger — Moon and Windy Arm are in the eight-to-10 range, so they're a perfect size for the development of hydro in the current era of load growth in the territory, but there are still significant costs. You know, a 10 megawatt hydro project at Moon Lake would cost probably \$100 million. It's not cheap at all. The energy output, in terms of ranking on costs, is probably 14 or 15 cents, so it's still pretty cheap in comparison to other things.

We have a large, long-term hydro project — more in the 10- or 15-year range that you mentioned — at Hoole Canyon on the Pelly River. We've done a little bit of work out there, but these things take a long time, and there is some inundation there.

We have pushed the Gladstone enhancement project off to the communities of Kluane and Champagne and Aishihik to

say that we are not advancing these if they're not interested in them — because they're smack dab in the middle of those two First Nations traditional territories.

I can tell you that there is a really standard theme. As soon as we go and look at project A, somebody says, "Well, you know what you should do? You should go over here and look at project B; don't look at project A. In other words, don't do anything that's in my backyard. Go and do it in somebody else's backyard. That has been a very prevalent theme, especially when we've looked at hydro projects — trying to get people to move away from me; don't look at this lake, look at another lake over there; when you get over there, it's well, go look at that lake over there.

We have a very comprehensive advancement of this hydro strategy as part of our internal strategy. None of these projects are dead. We're trying to advance them all, but one of the things that from a large hydro project point of view is difficult for us as a small utility with a small rate base is that, as our experience shows, planning and development costs can be about 10 or 15 percent of the whole cost of a project.

If you think about even a \$100-million project, that's \$10 million or \$15 million. A good part of that \$10 million or \$15 million could be spent — if you're talking about a hydro project — before you are able to make a decision as to whether or not you're going to build that project, because it's the technical feasibility studies and engineering studies and environmental studies that will tell you whether or not you have major problems environmentally, or you have major technical or engineering problems. We don't have that kind of risk capital.

We've been doing studies, and we do a lot of studies. We've looked at wind and biomass and geothermal, in addition to hydro and demand-side management, and the studies we have done have been approved by the Yukon Utilities Board. They are in our rates. They have told us we should continue to study and continue to plan, but we have to be very careful about how much money we do spend on planning and study costs.

We have a plan; we have a strategy. We really think that hydro has a terrifically important place in our future. The question is how do we pay for it, and how do we mitigate the risk of ratepayer exposure? We can't put ratepayers at great risk.

We have to find a way to minimize the costs, so that ratepayers don't have a large hydro project, and then there's an economic downturn and there are no customers, which is what happened at Faro.

Mr. Tredger: Thank you to the witness for those detailed answers. He covered many of the questions I was going to ask and many of the projects I was going to ask about, so I thank him for that.

I still have a sense of urgency about the need to develop a major hydro project. When we look at the lines — I wasn't sure whether there were any potential new hydro sites being considered or investigated for development. When could we expect to see a choice made — timelines, an analysis, and parameters for future hydro projects?

When the witness mentioned Hoole Canyon — is the corporation working with First Nations on proposals for potential hydro development?

Mr. Morrison: So, what we do — and this is a process that we have certainly tested very thoroughly with the Yukon Utilities Board, in terms of how we do planning studies and development.

In all of these cases, we look at different sizes of renewable opportunities to fit different load or different grid scenarios. We take a lot of care in trying to manage that we have different futures, and trying to figure out what those futures are going to be is really important. We don't look at just going out and building a big hydro project. That's not something we do. We spend a lot of time thinking through what the various scenarios are and then we try to build an inventory of projects that are shelf-ready — we've tested this concept with the Yukon Utilities Board and they agree with us — and that would fit different load scenarios at different points in time. A hydro project that's a good hydro project today is still a good hydro project tomorrow.

The question more important to answer: What is the load we're trying to satisfy and how much certainty do we have of the future that we're trying to address? That's a really hard thing for us to do — really hard — because we can only test it, based on a certain given amount of knowledge we have at any point in time.

The territory's growth over the last few years has allowed us to do some things and to have some certainty and that's great, but when we look at — and we'd love to find a solution for this and I was having a discussion the other day with Jim Smith about what we were trying to do back when he was running NCP, and we were trying to find a way to build large hydro projects, but not have the ratepayers have to pay for the full capital cost at any one given time. The territorial government doesn't have the kind of dollars to do that. Maybe the federal government does. There are no programs out there that I'm aware of that do that, but there have been — we're able to take advantage of a green infrastructure to build Mayo B. Without it, we wouldn't have built Mayo B. We wouldn't have been able to spend that kind of money and that's a great asset that we have. It's another legacy asset. We're pretty happy with that, but it's really important to understand that different load scenarios have different solutions and we have to have a basket of solutions that we can apply as the economy is at different stages in its development.

Everything fits into that same scenario. It doesn't matter what, renewable or non-renewable resource, it's what is the load going forward? How do we pay for it? What are the environmental considerations? What are the reliability issues and where do we get that social licence to go forward? It's all a package.

Mr. Tredger: Thanks again for that detailed answer.

The witness mentioned that the corporation had moved the Gladstone diversion project to the communities. I know the Champagne and Aishihik First Nations passed a band council resolution opposing the proposed diversion, and there is considerable community opposition to it. How much has been

spent since 2011? Is it anticipated there will be further costs associated with the project? Was a report produced, and will it be made available to the public?

Mr. Morrison: I'm sure there are reports of work that was done on the project. They've all been provided to Champagne and Aishihik First Nations and Kluane — whether the public wants to read them or not, I don't have any issues with that. I don't think I can specifically remember 2011, but since we stopped working on it, we haven't spent a dime.

Mr. Tredger: Yukon Development Corporation Policy Directive No. 2 came into effect in 1997 and states that hydroelectric projects can't draw water below two feet — that the bottom two feet of storage is protected.

This is to protect waterways from environmental impacts. Have the corporations been asked to review this regulation, or other regulations and practices, and provide options that can be part of implementing a water strategy, which is now in draft form and out for public consultation? As a major water user, is Yukon Energy Corporation participating in the consultation?

Mr. Morrison: There are a couple of questions there. I will try to remember them.

I am not particularly familiar with the OIC, so you will have to forgive me if I don't get this right. We operate under water licences, so we have specific water licences and we don't change the drawdowns or the depth and breadth of our water drawdowns without Water Board approval. Those issues are few and far between.

We are aware of the water strategy being developed. We will participate as a major water user. We do have a lot of input — or we will have a lot of input into those deliberations. But I am not certain that I got your question or that I have answered it.

Mr. Tredger: I want to ask a few questions about energy production, but I want to make sure that my terminology is right, so if the witness could just clarify if I'm wrong. My understanding is that "gigawatt hours" refer to electricity produced so it would be right to say that the number of gigawatt hours per year might be 41, or whatever the potential is for a project, while megawatt hours refers to the potential production capacity, so therefore it would be correct to say a 15 megawatt project is able to produce 15 megawatt hours on a regular basis at any given time.

Mr. Morrison: Not quite, but just about. Gigawatt hours are just a measure of energy. Gigawatt hours are just a million kilowatt hours. It's the number of — it's our sales. We're projecting loads. We produced as Yukon Energy Corporation about 410 gigawatt hours of energy last year. That's what we produced and sold from all of our assets. Megawatts — you can certainly talk about it — 400 gigawatt hours would 400,000 megawatt hours, but megawatts are units of measurement of capacity.

So, the Whitehorse hydro plant, as an example, has 40 megawatts of installed hydro capacity. So it's either hours or megawatts. So you were mostly right.

Mr. Tredger: I hope I do get it right. Mayo B has been in operation for several years now, and the corporation will have some yearly data to share. Could the witness please

tell me what was the expected capacity of Mayo B — the capacity it was expected to provide per year? How much was produced in 2012?

Mr. Morrison: I want to set the stage a little bit, as well. Mayo B has operated basically for one year and a bit. It came on to the system in December of 2011, but it operated — because it was still going through finishing stages, getting the bugs out of it — not a great amount in that winter of 2011-12. And because we hadn't set the ice with Mayo B in operation, we couldn't really run it at any kind of significant level coming into service in December because the ice was already set.

Last winter I think we got about 32 gigawatt hours out of it, but I caution trying to say this asset should get this and got that and this one didn't. Hydro systems aren't operated that way. We operate a system based on water, load and equipment availability. All equipment is vulnerable to having issues. They have moving parts and they all have their own issues.

We run a system based on load demand and based on the amount of water we have. We have three different watersheds and each of those watersheds has a different profile. If we have a high load and we've used a certain watershed and we want to conserve energy there, we might turn a machine off to conserve energy, or reduce its usage to conserve energy, if we have a lot of water somewhere else and we're not worried about conserving energy on that watershed.

We're very happy with Mayo B; we're getting everything we think we should get out of it as a plant, but trying to pick numbers and say every year it's going to get this number, that's not how plants work.

Mr. Tredger: Thank you, Madam Chair, and I'm going to switch to megawatts for one question. I noticed this winter while the system — it was in the cold spell in February — the system was burning diesel and yet Mayo was only producing I believe it was seven or eight megawatts. If the intention was to replace diesel, why would Mayo not have been at full capacity? This might help you in remembering it: the last time the witness was in the Legislature he mentioned that the capacity of Mayo generating complex would be 15 megawatts, but it was only sustainable at 11 megawatts. Could the witness explain the difference there and why it might be running at seven or eight when we were already burning diesel?

Mr. Morrison: I'll try my best. It's not a simple, straightforward, linear discussion about this plant has 11 megawatts and if you add them up 11 and 24 and X, that's how many megawatts we're going to run. I should just clarify something I said in the last statement about setting the ice.

It depends on the time of year, but in the late fall/early winter, in all systems, we have to set the ice and in different systems, we set it differently. That means we have to get an ice cover on, so that we don't cause problems with ice coming on and off a system and flooding problems and those kinds of things. We go through a process. In Whitehorse, we reduce output, so that the river slows down and the ice sets. In Mayo, we keep a steady stream of output, so that the ice sets very differently in a smaller, narrower, more winding river.

The diesel that would have been on at Whitehorse would have been on at very cold temperatures, for very short periods

of time, based on the same criteria that I just talked about: the water availability, the loads that we have on the system, and the availability of equipment now. Mayo was available. It was there to run. The system managers would manage that system to make sure that they were getting whatever they thought they could get out of Mayo at that given point in time.

Mr. Tredger: I will talk a little bit about the ice buildup and managing the ice in my next set of questions, but first I would like to talk about Mayo Lake and the storage capacity in Mayo Lake.

In anticipation of increased need for more water and to secure that water storage to provide for additional requirements for Mayo B, Yukon Energy Corporation applied for permission to increase fluctuations — that is, to increase the allowable height and allowable drawdown in lake levels.

Apparently, there have been requests for more studies and data on the effects of such a procedure. Could the witness let us know what stage this application is at? Where are we in that? I know the citizens of Mayo are quite interested.

Mr. Morrison: When we originally looked at doing the Mayo B project, we had the storage project packaged in with it. When we made our final decisions to go forward with Mayo B, we separated the two projects out. So, the storage project is a separate project. We have not completed the study work, and the decision process about how we might go ahead with the Mayo storage project.

The issue, simply, is this — we're trying to work with NND and their consultants to determine whether we should start at a metre drawdown and, if there are fish issues that we need to mitigate, that we would reduce drawdown, or should we start at a lower level and build up to a metre. We have been working through that. We have a recent report that will help us in that decision-making process, but I think we're still probably — it's a bit of a guess for me — three to six months at a minimum away from making a decision on Mayo Lake.

Mr. Tredger: Residents in the area have noticed that, over the years of operation, silt has built up in Mayo Lake. That would decrease the carrying capacity. Has the company determined the extent of silt buildup, and what measures are being considered to alleviate the problem?

Mr. Morrison: You must be able to see into my office or something, because I was just looking at that before I came over here. There is apparently a problem unrelated to the Mayo Lake storage issue, but a silt buildup at the outlet of the lake. We have had some engineers look at the issue.

I'm happy to give you some more information at a later time, but I really just started looking at it before I came over here today, and I can't really give you a good definition of what the problem is and how we might solve it. As it builds up, intuitively you'd think you'd have to find a way to dredge that outlet a little bit to get rid of it.

Mr. Tredger: Just in addition to that, there is a farm on that property at the outlet of Mayo Lake. For 40 years, he has built up his farm. The last three years, the silt buildup has extended and moved the flow of the water over on to his farm and begun to flood his land. The last three years have seen significant flooding of his most fertile land and several of his

buildings. Do you have any ideas who this farmer should turn to for assistance and help in maintaining his livelihood?

Mr. Morrison: Just for clarity, I don't think you mean Mayo Lake, I think you mean Minto ridge. We have met extensively with the individual you are talking about. We have taken numerous steps — actually we've done everything he has asked us to do to help resolve the problems that he's having.

The problems are a result of us operating the plant at its licence levels, not — and in the past we haven't operated the plant at its licence levels, because the loads have been lower. As loads have increased we're using more water, but we have met with the individual on numerous occasions. We've sent engineers up; we've sent hydrologists up; we've taken steps to mitigate the problem. We're happy to do whatever we need to do to resolve the problem. I'm surprised to hear that the individual still thinks he has a problem, because we haven't heard from him for quite a long time.

Mr. Tredger: Thank you, Madam Chair, and thank you for that. There have been some flooding problems below the operation of the turbines at Mayo B and Mayo A, I guess it is. These first appeared during construction of Mayo B and have continued each winter since. This winter, crews worked pumps and machinery almost daily to keep channels open and prevent flooding. Has Yukon Energy Corporation determined what is causing the flooding and are they going to take steps to alleviate it?

Mr. Morrison: I don't know exactly what is causing the flooding, but it isn't Mayo B.

The flooding first started to occur, and the big flooding issue in Mayo occurred in 2010. Mayo B had nothing to do with that. It was under construction. None of that construction had to do with anything in the water — the change of the water. The Mayo A plant was running. It was running in its normal way. The Mayo B plant, in the following year, as I indicated to you, didn't start operating until December of 2012, and then it operated at a very limited level. The flooding was already a problem by the time we were in operation.

So yes, there are significant issues. It's a very winding river. We've had hydrologists look at it. We've had engineers look at it. The problem didn't start after Mayo B was in operation. The problem started before Mayo B was in operation.

Mr. Tredger: The flooding seems to occur when the flow fluctuates, especially when the flow rate exceeds 15 cubic metres per second. It seems that this year, with crews running, they were able to keep the river within its bounds when the flow was below 15 cubic metres per second, especially when the flow was not fluctuating — rising or lowering. Over that, the river built up and threatened to flood homes and the village. There is a low flow requirement of six cubic metres per second in order to protect fish habitat, but no maximum allowable.

Residents are concerned that next year the company may decide to increase flow and thus threaten the town once again. What are your plans for next year and will YEC consider putting a voluntary maximum on the amount of flow until further studies and possible resolutions can ensure the increased flow will not threaten Mayo?

Mr. Morrison: I don't really want to have a debate about 15 cubic metres or 17 cubic metres; I don't think that would be very productive. We have a protocol for the operation of the plant that we developed in conjunction with the Yukon government, the Village of Mayo and others who were involved in all of these discussions that we have been a very large part of over the years.

We do not fluctuate our flow at Mayo in any way that is under our control. I think our fluctuation is about one percent, which is very minimal — plus or minus one or one and a half percent. As I said to you before, setting the ice at Mayo is really important; it is done differently than Whitehorse. In order to set the ice, we have a steady flow and we maintain that flow.

We have a protocol, as I said, that we've agreed to leave our system, once in operation at a steady flow, so that we don't create problems. If there was a problem, and we were contributing to that problem, or flow rates in the river were contributing to that problem, we would voluntarily curtail that because we don't want to contribute to a flooding problem. We want to be part of the solution.

Chair: Before the second questioner from the Official Opposition starts, I believe we're going to go to the other parties to see if they have any questions. So I ask the Independent member: Do you have any questions you'd like to ask?

Some Hon. Member: (Inaudible)

Chair: At this time I will — Ms. White.

Ms. White: The wind assessment feasibility study that was commissioned by the Yukon Energy Corporation saw the completed report delivered in February 2009. The conclusion of the study demonstrated the feasibility of a 20 megawatt wind energy project on Mount Sumanik, estimated to cost about \$72 million in the day. What was the cost of this wind feasibility study?

Mr. Morrison: I am happy to get the costs, but off the top of my head, I don't have that number.

Chair: Mr. Silver, do you have any questions for the witnesses?

Mr. Silver: I sure do, Madam Chair. Thank you very much.

I'm going to start with a question that the member tried a question similar to. I'm going to phrase it in a different way, and hopefully I'll get a response from the witnesses here today.

Yukon Energy Corporation is designed to operate — I'll start off with this as an opening statement: It's designed to operate as a business, and it's supposed to do that at arm's length from the government. I just want to ask the witnesses if they believe that the organization is able to operate, as intended, as an arm's-length organization.

Ms. Fairlie: The minister establishes the policy; the board makes independent decisions that are consistent with the government's policy, but we do feel that they are independent to make the decisions that they need to make. We try to make sure that the board has all the information it needs to make informed decisions.

Mr. Silver: Do the witnesses believe that it would serve the public's interest for the organizations to appear here at a minimum on an annual basis?

Ms. Fairlie: We would come when we were invited to do so.

Mr. Silver: I appreciate the answer and I appreciate the situation. Shareholder Letter of Expectations 2010-2012: "This letter covers the year ending March 31, 2012. As has been the case with previous letters, the letter was prepared after a consultation between the Minister and Development. It thus represents a shared understanding of the expectations of the government in respect of development."

There is no similar language in the Shareholder Letter of Expectations for 2013 and the question is this: Was there consultation with Yukon Development Corporation on the 2013 letter or was it presented to them as more of a fait accompli?

Ms. Fairlie: There was discussion with the Yukon Development Corporation chair of the time.

Mr. Silver: In the view of the corporation, does the obligation to serve force you to provide power to new industrial customers?

Mr. Morrison: I think the obligation to serve comes to the utilities from a couple of different perspectives, but it is not unfettered and it is not unlimited. I think, in my interpretation, it is guided by the bounds that both Yukon Electrical and ourselves really understand as our regulatory obligations. So I don't believe it's an obligation at all costs. I don't believe it's an obligation that we would honour if there were impacts to other ratepayers. I believe that guidance would be very clear in front of the regulator — the Yukon Utilities Board.

First of all, power purchase agreements — any power purchase agreement that we would enter into would have to be approved by the regulator and the regulator would also want to know in that process how the connection of these customers impacts rates. Now, that's industrial customers. I think it is very difficult and very different if we're talking about residential customers, new developments and new growth. I think that obligation to serve is very clear. Obviously, we have to be able to do that. I don't believe that the obligation is just open-ended when it comes to industrials. We'd have to demonstrate that there is not a big impact on other ratepayers.

Mr. Silver: So, what I'm getting is that this isn't necessarily an absolute obligation.

Chair: I'll remind the members to direct their comments and questions through the Chair.

Mr. Silver: I'm assuming that the answer means that the obligation isn't absolute and, if so, are there any limitations on those obligations?

Mr. Morrison: I don't believe it's absolute. We're very responsible. We wouldn't undertake obligations to serve that caused other ratepayers any degree of grief.

Mr. Silver: Do unclear legal obligations to serve make it difficult for you to plan and, if so, how should this be changed?

Mr. Morrison: I can't think of any legal obligations to serve, other than contractual — if we had entered into a contract. Again, coming back, we have a regulator that really un-

derstands very clearly what ratepayer impact is and how new customers coming on to the grid impact that, and I think we'd get a very clear definition of that obligation in that forum, which I think is the correct forum.

Mr. Silver: This is where I'm going — toward the mines connecting to the grid. What is Yukon Energy Corporation's plan to protect the ratepayers from the risks and costs of connecting mines to the grid?

Mr. Morrison: We look at mines connecting to the grid on an individual basis, and we try to balance not just obligations, but our duty to be a supporter of Yukon's economy. We're there to provide power for residential growth, new subdivisions, new commercial buildings, new institutional buildings. That is in our mandate, as was mentioned in the opening remarks. When we take large industrial customers, which are mining customers, we look at each individual one and where there is going to be an impact on the grid and what those costs are. To be very clear, industrial customers connecting to the grid have to pay their costs of connecting to the grid. They also have to pay for any costs that they would create for us as a result of that connection. We're very clear about those obligations right up front. We spend a lot of time trying to talk to mining customers to see where they are in these various load scenarios that I was talking about earlier.

I want to outline a couple of different scenarios and why we look at things individually. When we connected Minto to the grid — Minto is a mining customer — that allowed us to put rates down. We reduced rates as a result of connecting Minto to the grid. It was only — don't hold me to the exact number — 2.4 or 2.5 percent, but it was a rate decrease because we connected Minto to the grid.

Industrial customers have their own attributes and we're a small utility. When Casino came to see us, they said, "We need 100 megawatts of power." We said, "You're in the wrong place. We can't cope with that. That's too big for us. That's too much."

Copper North is maybe 40 or 50 gigawatt hours. Maybe, depending on the circumstances and depending on the load profile at the time, we might be able to serve them in a way that is a positive economy driver and not a negative rate driver.

Now, can I tell you how I'm going to do that today? No, because I need to look at it and I need to look at each individual one. I think it's fairly common public knowledge that we've been talking to Victoria Gold about trying to serve that load. We wouldn't mind at all finding a way to serve that load because it might mean the difference between jobs and mining investment in the territory, but at the same time we won't do it on the backs of Yukon ratepayers. That's not our business. We're not going to have other ratepayers pay for those obligations.

Mr. Silver: Is there a signed PPA with Victoria Gold?

Mr. Morrison: No, there is not.

Mr. Silver: Will the corporation be meeting their commitment to provide Victoria Gold with power without burning diesel?

Mr. Morrison: I don't believe there is any way we could provide Victoria Gold with power if we had to do it using

diesel. The diesel would be too costly. There is no economy in using diesel to provide a mine with power.

Mr. Silver: Will Victoria Gold be connecting to the grid, or have some off-grid solutions been discussed?

Mr. Morrison: We have extensive discussions with Victoria Gold about what the best option for them getting power for their mine is. We are involved, to a great extent, in their discussions with others to whom they are talking about providing on-site mine power — other suppliers — primarily because we're in the power business, so we try to help, if we can, to advance those discussions. We would like to see what's best for the territory. If the best for the territory and best for Victoria Gold is them providing their own power, that's good. If there is a way for us to do it and get some ratepayer benefit out of it, that also might be a solution. But there is nowhere near any decision, as far as I'm aware, on that issue at the moment. Whether they're going to provide their own power or not — they haven't told us.

Mr. Silver: Changing to another industrial customer, is it possible for me to get a copy of the letter of intent for a PPA, or power purchase agreement, with Copper North?

Mr. Morrison: I don't particularly have any problem releasing that. I would have to ask them, but I can tell you it's a very simple letter that says we're going to talk about providing power. There are no commitments in it at all, I can tell you that. But if they don't have a problem, I'll be happy to give you a copy of the letter.

Mr. Silver: I was going to ask about a commitment to provide power for Copper North without burning diesel, but I imagine it's going to be the exact same answer as what he already gave me, so I'll just skip that.

How close to capacity is the system currently?

Mr. Morrison: I have to think about not being too complicated here, in terms of capacity. The system has lots of capacity because we essentially have a duplicate system that exists in the diesel plants that are located throughout the territory. So if we lost a significant portion of our hydro assets, we could still keep the lights on, particularly in the middle of winter.

So if we need more power and we need a little bit of growth, we can turn diesels on. Now, we don't like turning our diesels on; they're not very environmentally friendly even for us at the plant, and the power that they produce is very costly. Nobody should worry that we're running short of the ability to provide people with electricity to heat their homes and turn their lights on. We have lots of that. The question is, is it the right environmental solution? Is it the right economic solution? At the moment, we are at our capacity on the hydro system. In the summertime we have a little bit extra water but I want to put a caveat on all of these comments that I'm making. I'm talking about average circumstances. So if we had really low water in one of our systems, we would be using diesel a bigger part of the year because water is our goal. We can supply the public with power. We have no more excess hydro of any significance — a little tiny bit in the summer.

Mr. Silver: I'm going to switch to supply considerations. Are we now committed to using LNG for added capacity, for additional capacity?

Mr. Morrison: As my chair said earlier in his remarks, no, we are not committed to that decision as yet.

Mr. Silver: Let's say we're going down that road. Do we know the capital costs that would be included in starting to use LNG?

Mr. Morrison: We have some rough numbers that I would be a little hesitant in sharing yet today because I have a board meeting tomorrow that I have to do a presentation to and, you know, I think after that we're certainly happy to share some numbers.

Mr. Silver: This might be a hard question to answer as well: Is it economics or urgency that is driving the whole discussion about using LNG? If urgency, should we have seen this coming? If we had planned ahead for this, would there have been a more economical option?

Mr. Morrison: There are a couple of things going on in the system that are pushing us to look at options. First of all, as mentioned again earlier in opening remarks, we have an aging asset system.

Both our hydro plants, other than Mayo B, are old; 50 plus years in the case of both Whitehorse and Mayo and our diesel infrastructure that backs up that hydro system is also very old — 40 some years in the case of some of the assets that we have, especially the large diesels.

In our system, we have a retirement schedule for all of our assets, depending on usage. So it very much is use-dependent. The two largest diesels in the Whitehorse plant are overdue for retirement. When we started looking at what we would do to replace those diesels, we thought it was also important to see if there was an alternative to using just diesel. Is there a gas option that might work because these engines, for the most part, sit for a good part of the year. The reason that there is a carbon based diesel fuel or a gas that you have to look at in that case — because of the nature of the backup supply, the capital cost of those assets is quite low and if you don't operate them, the operating cost is zero; whereas other assets the capital cost is high and if you're not using them, you're amortizing a larger amount.

The system needs a reliable backup. It doesn't have a connection to the southern grid which would get us a backup, but right now, it doesn't have that.

So, when we looked at that, we were able to get some information from Casino mine, which was looking at it as a supply source for the mine. We've been able to advance that concept.

Coming along right at the same time is the need to add additional generation in the winter to the system. We have talked about this in numerous public presentations. We think by the end of next year we'll need to burn about 30 gigawatt hours of diesel. In diesel terms, that's over \$9 million a year in just fuel cost. Is there a way to reduce that? We're trying to marry a couple of problems by looking at options. We're looking at options for replacing the aging diesels and for addressing small growth in the base-case load.

Mr. Silver: If we do go to LNG, I know there have been some recent refurbishments done to the diesels — is that going to be considered a waste or will those refurbishments go part and parcel with a new mixed fuel or LNG option?

Mr. Morrison: The refurbishments that were done were done several years ago. They were designed to kind of get us to this point. They weren't designed for longer life, and any increased use of all of our diesels is going to reduce their current expected life dramatically.

Mr. Silver: Are there risks that we're going to get locked into — if we go in the direction of LNG, are we going to get into locked into LNG as a permanent solution?

Mr. Morrison: Yes and no — maybe a permanent solution to the back-up system, but it doesn't have to be a permanent solution to generation. We have a lot of different options on the table we can look at, as loads are there and we can mix and match — you know, a small hydro or a little larger hydro. We've ruled out waste, and really small biomass at the moment is not looking very cost-effective, I guess I might say. No — but having the back-up supply, with a cheaper cost of operation, when we have to operate it, is not a bad thing at all, because when we turn that on and we have to use it as peaking or back-up — if we can keep ratepayer exposure down by having a cheaper source of fuel, I think that's a good thing. But it's not a lock-in at all, in terms of requirements for new generation.

Mr. Silver: Just one last question on LNG: Is the legal framework in place to use LNG for power production currently?

Mr. Morrison: Well, parts of that legal framework are the oil and gas regulations that are going through review at the moment, and we're very confident that they'll be in place as we require them.

Mr. Silver: I just have a couple of questions left, and I'd like to thank the witnesses today for their answers.

What is the top hydro project currently? There has to be something that looks more advantageous out of the designated areas. If the witnesses had it their way, how long before that could be ready?

Mr. Morrison: Well, I'll give them to you in category: very small — Mayo Lake and Marsh Lake are very good projects. Moving up to the next level, if I could find a solution for the transmission issue, Moon Lake is a great hydro project because it's a mountain-top lake that's already flowing down into Tutshi Lake. So, from a design point of view, it's very simple and straightforward. From an environmental point of view, I'm not saying there aren't issues, but it's less of an issue than many other hydro projects I can think of.

That would be a really good project. We're going to look at Moon Lake again this year as a pump storage project, where we'll actually pump the water back in, keep it for the winter, and then see if just using it as winter energy makes any difference to it — might be some real advantages there. If Skagway ever develops West Creek and there is a connection — a transmission grid that is going by the door — Moon Lake is a no-brainer then, if there's transmission.

On the large scale side, the project we have the best information on is Hoole Canyon, and it's a project that we could stage. We could start it as 20 or 30 megawatts. We could build it up to 40, 50, 60 over time, but it's a large storage project, so it has some attributes that some people will not find easy to live with. But there is nothing I can think of that we can do that has no impact on anything. Those are our best.

Mr. Silver: I'm not even going to ask the timeline question. It just doesn't make a lot of sense, so I'll just go to my last question: How far away are we from any other renewable options?

If the money were available, is there a shovel-ready project currently that could be started? Seeing as that's my last question, I would just like to thank everybody for showing up today. We really appreciate your time here.

Mr. Morrison: I'd use a different term. We are trying to get projects shelf-ready so that when we have the financing to build them, when we have the loads that can support them, we're ready to go. Nothing is shovel-ready on a hydro site except Marsh Lake and Mayo Lake, because you don't have to do anything in the sense that you don't have to build anything. They're already using systems that are already there. Moon Lake could be shelf-ready really quickly; Hoole is a few years away, but it needs that investment over time of years of stream gauging and environmental baseline data and things like that before you can make the decision that it's actually in the inventory, ready to go. We have a lot of information on Hoole from studies that were done in the past, so I don't think it'll take as long as other projects starting from square one might.

Some Hon. Member: (Inaudible)

Mr. Morrison: Are you talking about any project? Sorry, I thought you were still on hydro. So let me finish my answer. We have a wind project that is the most shelf-ready at Ferry Hill, which is at Stewart Crossing.

We are completing wind studies on that project. We've been doing wind studies for quite awhile. We missed a little bit of time this winter. The wind monitor had some problems and was down. Ferry Hill is our primary or our preferred wind location. We could build as much as 20 megawatts there. We could build it in stages. When it fits the load scenario, Ferry Hill is ready to go.

Ms. White: Just to go back to the wind feasibility study, the *2012 Annual Report of the Yukon Information & Privacy Commissioner* shows that YEC spent a considerable amount of time and effort explaining to Yukon's Information and Privacy Commissioner why it did not want to disclose the wind assessment feasibility study. Originally it tried to withhold 58 of 75 pages. Part of the information has now been made public and a fully informed public debate would be well-served by seeing the whole document. Will YEC agree to disclose in full the complete, unredacted feasibility study and if not, why not?

Mr. Morrison: Again, some context. We've been pretty consistent about this and it's not just wind studies; it has been other studies that we have done. Those studies are the property and are paid for by the ratepayers. At the time we

looked at Mount Sumanik, we had no ability to have tenure on that piece of property.

So let me try to put it into some context. It was a study that was done that had valuable information in it, but as a public document, anybody could take that study and use it and develop a wind site. The ratepayers paid for that. Yukon Energy Corporation paid for that. That's why we weren't prepared to give it out.

On the other hand, we did the same thing with geothermal studies that were on unsecured or untenured land. Now, we were happy to give out studies to groups and individuals, such as First Nations, who owned a piece of land that we did a study on, but we weren't prepared to expose Yukon Energy Corporation's intellectual property to just anyone. We did try to give as much of it as we could without giving away things that were going to cause us a problem.

Now, the study itself actually said that we needed to do more work on Mount Sumanik and at the same time we were working on Ferry Hill.

We spent some time; we weren't very interested in exposing ourselves on a public basis. In hindsight, maybe we should have. I'm not unhappy to give the study to individuals who want it now, but I can tell you that our preferred site is Ferry Hill.

Ms. White: It's good to hear that Ferry Hill is being seriously considered. However, the *Planning in Public: The Story of the 2012 Yukon Energy 20-Year Resource Plan* did not include the updated information from the wind assessment feasibility study of 2009. It didn't represent the true cost of wind. I'm wondering if the Yukon Development Corporation or Yukon Energy Corporation would consider redoing the planning-in-public exercise now that we have a more informed public?

I'm just going to get a couple more questions in at the same time. I'm hoping that the witness, in his speaking, has committed to getting us the cost of that wind feasibility study. He said that there is a board meeting tomorrow and after that he would be happy to share the information about the projected capital costs of LNG. Could he also commit to sharing that?

More importantly than the planning in public, I'm curious as to what is the cost of diesel that is used by Yukon Energy Corporation on average in a year. If I can't get an average in a year, what was the cost for diesel usage in 2012?

Can I just get one more on? If the corporations make the move to LNG generators, how soon would they be operational? How soon could a wind farm be operational?

Chair: Mr. Morrison, you may answer as you can. I think the member is used to firing those questions off at a minister, so just please carry on.

Mr. Morrison: I'm a little older than her, Madam Chair, so you'll have to forgive me if I don't remember them all, but I'll try. Yes, I agree that whatever we've committed to give you, we will give you. Now I've forgotten the next question.

I want to go back and make a point about the planning in public. I'm not actually sure about your reference, but we did update the Sumanik costs. They went from about \$70 million to

close to \$100 million, and that would probably need to be updated again in today's dollars, because it was a couple of years ago.

Ferry Hill is in that \$100-million range, so they're expensive capital projects. They don't get a lot of output, which is why, when we talk about a 20-megawatt wind farm, the cost per kilowatt hour is 40 cents. Not to be disagreeable, but that is the cost that we calculate wind to be. It's not the only option that's in that range: biomass is an expensive option. It's probably in the 30-cents-plus range or in that neighbourhood.

The costs are related to the amount of power you have installed, in terms of the capital cost, and the output that you get from the plant in its operating stages. That's why wind is high, because it has a high capital cost and it has a low output compared to other options. Last year, I think we spent \$1 million on diesel fuel. I will confirm the number because I don't want to rely on my memory. Diesel fuel usage is based on how cold the winter is, how big the load is. We have been burning some diesel over the last few winters. I think last year was not a bad winter for diesel, though — about \$1 million. I can't remember if there were any I didn't answer.

Ms. White: That was very close. If the corporations make the move to LNG generators, how soon would they be operational? How soon could, for example, the wind farm on Ferry Hill be operational?

Mr. Morrison: In two different contexts here — if we were going to, I think we could get gas turbines in operation in a year and a half or two years. A year and a half would be tight, but I think if we had to, we could do that. How soon could we get Ferry Hill done? Well, not until we finish doing the wind monitoring — and we haven't finished. That's going to be a few more months. I can't tell you exactly how many. Wind is not a difficult project to go forward with. The question is this: Is it the right project, at the right load, and at the right cost?

For clarity, when I go to the Yukon Utilities Board and say, "Yukon Utilities Board, I have built a project, and I want to put it into rates," their first question is, "What were the options you looked at, and how do they compare?" So it's very much on our mind when we go in front of the regulator.

Did we get the right option at the right cost at the right load scenario?

Ms. White: In the most recent energy wind charette that Yukon Energy hosted, the experts on-site said that a wind farm after one year of data — and understanding that wind can get added incrementally; you can start with one mill and you can add on from there, so each one can be added on to the grid — they could have a farm up within two years — so the three-year timeline and just looking for the confirmation of that.

When hydro projects are costed out, they incorporate federal green energy funding. Why don't wind projects reflect that same funding ability?

Mr. Morrison: Just to be clear, we have only received green energy funding — infrastructure funding — for one project. The only project we had available to us at that point in time under the conditions of the program was the Mayo B hydro project. The condition that we couldn't meet

with wind or anything else at the time was that it was ready to go; it was shovel ready. We had the water; we had been looking at it; the plans were there.

There was nothing else available to us at the time, so I do understand that there is an argument out there that we could have applied it to other things, but I can assure you that — because it was me who had the discussions with the green infrastructure fund officials in Ottawa — it was up to Yukon Energy to demonstrate to them that we could actually do Mayo B, that is was shovel-ready, and we did not have the wind data that was mentioned earlier on our wind projects to be able to say they were ready to go. It was the only project we had. If there were projects that would help us build infrastructure, we're happy to get free government money from Ottawa.

Ms. White: Understanding that the wind feasibility study was submitted to the corporation in 2009, how come at that point in time wind monitoring wasn't ongoing on both Sumanik and Ferry Hill?

Mr. Morrison: Just to be clear, in the Sumanik wind study in 2009, it said we had to do some more work; we had to get some more information. We went out and we got that information.

We updated that study. The costs and the issues that were present as a result of that update and the completion of that study moved us or pushed us to move our thoughts to the Ferry Hill project for a couple of different reasons. One was that it's quite evident in the semantics study — and we had a long debate about this in front of the Yukon Utilities Board recently — that there is a rime icing issue on Sumanik. When you compare it to Ferry Hill, there is still a rime icing issue but it's less of an issue. Rime icing causes winter operational problems, so when you can mitigate that and have exposure to less of it, you want to do that.

The other primary item — and it's a big issue for us — is that there's no road to Mount Sumanik. We would have to build a road from the bottom to the top. There's a road and existing infrastructure already up at Ferry Hill. There are microwave towers right in the same area at the top of the hill. There's road up there. It might have to get graded or upgraded a little, but adding costs to infrastructure projects can be very expensive.

So when we compare apples to apples, Ferry Hill looks like a much better choice to us.

Mr. Elias: I just have one quick question for the witnesses. As the witnesses are well aware, this House has passed a motion to create a select committee on the risks and benefits of hydraulic fracture stimulation in our territory. Seeing that liquefied natural gas, whether it's gained by conventional or non-conventional methods inside our territory or neighbouring jurisdictions as a possible energy generation option, if the committee so decides, would the corporations be willing to submit a detailed submission to the committee with regard to its use of liquefied natural gas, whether it be used for energy generation by conventional or non-conventional methods? Would they be willing to do that if the committee asks the corporations to make a formal submission to the selection committee?

Mr. McDonald: We will of course respond to anything that the Legislature asks us to do. As it has been pointed out, we haven't yet made formal decisions in regard to the LNG option. As Mr. Morrison pointed out, we do feel there is a role for fossil fuels in our system given the fact that we are a stand-alone grid and we need reliable backup.

However, whatever we do, and whatever measure we do, we'd be more than happy to provide full information to whom-ever asks us, including and especially the Legislature and the government as to what our thinking is and what our planning might lead to.

Hon. Mr. Cathers: On behalf of Committee of the Whole, I'd like to thank Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors; Greg Komaromi, president and chief executive officer of the Yukon Development Corporation; Piers McDonald, chair of the Yukon Energy Corporation Board of Directors; and David Morrison, president and CEO of the Yukon Energy Corporation, for appearing here as witnesses today. As minister responsible, I also extend to them my thanks for their appearance today and their ongoing work.

Chair: Thank you, Mr. Cathers. The witnesses are excused. Thank you.

Witnesses excused

Hon. Mr. Cathers: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Mr. Cathers that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

May the House have a report from the Chair of Committee of the Whole?

Chair's report

Ms. McLeod: Mr. Speaker, Committee of the Whole has considered Bill No. 10, entitled *First Appropriation Act, 2013-14*, and directed me to report progress.

Also pursuant to Committee of the Whole Motion No. 4, Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors; Greg Komaromi, president and chief executive officer of the Yukon Development Corporation; Piers McDonald, chair of the Yukon Energy Corporation Board of Directors; and David Morrison, president and chief executive officer of Yukon Energy Corporation appeared as witnesses before Committee of the Whole from 3:30 p.m. to 5:30 p.m.

Speaker: You have heard the report of the Chair of Committee of the Whole. Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

As the hour is 5:30 p.m., this House stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:31 p.m.

The following document was filed May 14, 2013:

33-1-58

Watson Lake Hospital and Dawson City Hospital Construction; letter re (dated May 28, 2012) from Leslie E. Nelson, President, Nelson Drywall Interiors (Alberta) Inc. to Mr. Michael Cowper, Project Manager, Yukon Hospital Corporation (Stick)